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If you have sold or otherwise transferred all of your Existing Ordinary Shares prior to the Ex-entitlement Date, please send this document, together with the accompanying Application Form (for Qualifying Non-CREST Holders), to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, the distribution of this document and/or any accompanying documents into a jurisdiction other than the United Kingdom may be restricted by law or regulation and therefore such documents should not be distributed, forwarded to or transmitted in or into the United States of America, Canada, Australia, New Zealand, the Republic of South Africa, the Russian Federation, Japan or the Republic of Ireland, nor in or into any other jurisdiction where the extension of the Open Offer would breach any applicable law or regulation. If you have sold or transferred part of your holding of Existing Ordinary Shares prior to the Ex-entitlement Date, you are advised to consult your stockbroker, bank or other agent through whom the sale or transfer was effected as to the action you should take.

Neither the Firm Placing nor the Open Offer constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Rules made by the FCA pursuant to sections 73A(1) and (4) of FSMA and has not been pre-approved by the Financial Conduct Authority (“FCA”) pursuant to section 85 of FSMA.

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# **SCANCELL HOLDINGS PLC**

*(incorporated and registered in England and Wales with Company number 6564638)*

**Firm Placing of 20,000,000 new Ordinary Shares at  
17 pence per share**

**Open Offer of up to 22,495,068 new Ordinary Shares at  
17 pence per share**

Nominated Adviser and Placing Agent

**Panmure Gordon (UK) Limited**

Sub-Placing Agent

**Lesmoir-Gordon Boyle & Co Limited**

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Panmure Gordon (UK) Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and placing agent to the Company in connection with the matters described in this document. Persons receiving this document should note that Panmure Gordon (UK) Limited will not be responsible to anyone other than the Company for providing the protections afforded to clients of Panmure Gordon (UK) Limited or for advising any other person on the arrangements described in this document. Panmure Gordon (UK) Limited has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Panmure Gordon (UK) Limited for the accuracy of any information or opinion contained in this document or for the omission of any information.

Lesmoir-Gordon, Boyle & Co Limited, which is authorised and regulated in United Kingdom by the FCA, is acting as sub-placing agent to the Company in connection with the matters described in this document. Persons receiving this document should note that Lesmoir-Gordon, Boyle & Co Limited will not be responsible to anyone other than the Company for providing the protections afforded to clients of Lesmoir-Gordon, Boyle & Co Limited or for advising any other person on the arrangements described in this document. Lesmoir-Gordon, Boyle & Co Limited has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Lesmoir-Gordon, Boyle & Co Limited for the accuracy of any information or opinion contained in this document or for the omission of any information.

The Company’s Ordinary Shares are currently admitted to trading on AIM. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective, and dealings for normal settlement in the New Ordinary Shares will commence, at 8.00 a.m. on 5 April 2016. The New Ordinary Shares will not be admitted to trading on any other investment exchange. The New Ordinary Shares will, on admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority (being the FCA acting as competent authority for the purposes of Part V of FSMA) (“UKLA”). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the UKLA has examined or approved the contents of this document. The AIM Rules for Companies are less demanding than those of the Official List of the UKLA. It is emphasised that no application is being made for admission of the Existing Ordinary Shares or the New Ordinary Shares to the Official List of the UKLA.

**This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part 1 of this document and to the Risk Factors set out in Part 2 of this document.**

The latest time for acceptance and payment under the Open Offer is 11.00 a.m. on 29 March 2016. The procedure for application is set out in Part 3 of this document and, where relevant, the Application Form.

This document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy New Ordinary Shares and/or Open Offer Entitlements to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation. In particular, this document must not be taken, transmitted, distributed or sent, directly or indirectly, in, or into, the United States of America, Canada, Australia, New Zealand, the Republic of South Africa, the Russian Federation, Japan or the Republic of Ireland or transmitted, distributed or sent to, or by, any national, resident or citizen of such countries. Accordingly, the New Ordinary Shares and/or Open Offer Entitlements may not, subject to certain exceptions, be offered or sold, directly or indirectly, in, or into, the United States of America, Canada, Australia, New Zealand, the Republic of South Africa, the Russian Federation, Japan or the Republic of Ireland or in any other country, territory or possession where to do so may contravene local securities laws or regulations. The New Ordinary Shares and the Open Offer Entitlements have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under the securities legislation of any state of the United States of America, any province or territory of Canada, Australia, Japan or the Republic of Ireland and they may not be offered or sold, directly or indirectly, within the United States of America or Canada, Australia, New Zealand, the Republic of South Africa, the Russian Federation, Japan or the Republic of Ireland or to or for the account or benefit of any national, citizen or resident of the United States of America, Canada, Australia, New Zealand, the Republic of South Africa, the Russian Federation, Japan or the Republic of Ireland or to any US person (within the definition of Regulation S made under the US Securities Act 1933 (as amended)).

A copy of this document will also be available from the Company's website, [www.scancell.co.uk](http://www.scancell.co.uk)

Certain statements contained in this document are or may constitute "forward-looking statements" with respect to the Company and certain of its goals and expectations relating to its future financial condition and performance. Such forward-looking statements may be identified by words such as "aims", "anticipates", "targets", "expects", "looks forward to", "estimates", "plans", "goal", "believes", "will", "may", "would", "could", "should", "intends", "seeks", "projects" and other words having a similar meaning. No forward-looking statement is a guarantee of future performance and actual results could differ materially from those contained in any forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of changes in interest rates and foreign exchange rates, changes in legislation, changes in consumer habits and other factors outside the control of the Company, that may cause actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. All forward-looking statements contained in this document are based upon information available to the Directors at the date of this document and the posting or receipt of the document shall not give rise to any implication that there has been no change in the facts set forth herein since such date. Except as required by law, the Company disclaims any obligation to update any such forward-looking statements to reflect future events or developments.

### **Qualifying Shareholders**

Qualifying Non-CREST Holders will find an Application Form enclosed with this document. Qualifying CREST Holders (none of whom will receive an Application Form) will receive a credit to their appropriate stock accounts in CREST in respect of the Open Offer Entitlements which will be enabled for settlement on 14 March 2016. Applications under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim arising out of a sale or transfer of Ordinary Shares prior to the date on which the Ordinary Shares were marked "ex" the entitlement by the London Stock Exchange. If the Open Offer Entitlements are for any reason not enabled by 3.00 p.m. on 14 March 2016 or such later time as the Company may decide, an Application Form will be sent to each Qualifying CREST Holder in substitution for the Open Offer Entitlements credited to his

stock account in CREST. Qualifying CREST Holders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

### **EIS and VCT tax relief**

**All Qualifying Shareholders who wish to benefit from EIS or VCT tax relief must submit an Application Form.** Qualifying CREST Holders (who will not have received an Application Form with this document) should decline their Open Offer Entitlements via the CREST system and request an Application Form from SLC Registrars at 42-50 Hersham Road, Walton-on-Thames, Surrey, KT12 1RZ (or by telephone on 01903 706150). Qualifying CREST Holders applying for EIS Qualifying Shares by way of Application Form should refer to paragraph 4.5 and paragraphs 5 to 12 of Part 3 of this document.

**EIS income tax relief will only be available to Qualifying Shareholders who hold Existing Ordinary Shares which were acquired pursuant to an EIS compliant issue of shares by the Company. EIS income tax relief is not available for Qualifying Shareholders who subscribe for Offer Shares at time when they hold Existing Ordinary Shares for which EIS relief has not been claimed.**

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Firm Placing and Open Offer	9 March
Record Date for the Open Offer	9 March
Publication of this document and the Application Form	11 March
Ex-entitlement Date	11 March
Open Offer Entitlements credited to CREST stock accounts of Qualifying CREST Holders	14 March
Recommended last time and date for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 21 March
Latest time and date for depositing Open Offer Entitlements into CREST	3.00 p.m. on 22 March
Latest time and date for splitting Application Forms (to satisfy bona fide market claims only)	3.00 p.m. on 23 March
Latest time and date for acceptance of the Open Offer and receipt of completed Application Forms	11.00 a.m. on 29 March
Announcement of result of Open Offer	31 March
Admission and commencement of dealings in the New Ordinary Shares	8.00 a.m. on 5 April
New Ordinary Shares credited to CREST members' account	5 April
Despatch of definitive share certificates for New Ordinary Shares in certificated form	19 April

**If any of the details contained in the timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service.**

**All references are to London time unless stated otherwise.**

## KEY STATISTICS

Number of Existing Ordinary Shares	224,950,683
Offer Price under the Firm Placing and the Open Offer	17 pence

## FIRM PLACING STATISTICS

Number of Firm Placing Shares	20,000,000
Gross proceeds from the Firm Placing	approximately £3.4 million

## OPEN OFFER STATISTICS

Number of Offer Shares	up to 22,495,068
Basic entitlement under the Open Offer	1 New Ordinary Share for every 10 Existing Ordinary Shares
Gross proceeds from the Open Offer*	approximately £3.8 million

## OVERALL STATISTICS

Enlarged issued share capital following the Firm Placing and Open Offer*	267,445,751
New Ordinary Shares as a percentage of the Enlarged Share Capital*	15.89%
Market capitalisation of the Company immediately following the Firm Placing and Open Offer at the Offer Price*	approximately £45.5 million

\* on the assumption that the Open Offer is fully subscribed

## DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“Act”	Companies Act 2006 (as amended)
“Admission”	the admission of the Firm Placing Shares and the Offer Shares to trading on AIM
“AIM”	the AIM market operated by London Stock Exchange
“AIM Rules for Companies”	the AIM Rules for Companies and guidance notes as published by the London Stock Exchange from time to time governing the admission to, and operation of, AIM
“Application Form”	the personalised application form on which Qualifying Shareholders may apply for New Ordinary Shares under the Open Offer
“Board” or “Directors”	the directors of the Company as at the date of this document
“Capital Raising”	the Firm Placing and the Open Offer, taken together
“Company” or “Scancell”	Scancell Holdings Plc
“CREST”	the computerized settlement system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations), which facilitates the transfer of title to shares in uncertificated form
“CREST member”	a person who has been admitted to CREST as a system-member (as defined in the CREST Regulations)
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
“CREST participant ID”	shall have the meaning given in the CREST Manual issued by Euroclear
“CREST payment”	as such term is defined in the CREST Manual issued by Euroclear
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member (which includes all CREST Personal Members)
“EIS”	Enterprise Investment Scheme
“EIS Qualifying Shares”	the 14,335,883 Firm Placing Shares and 15,075,881 of the Offer Shares being the New Ordinary Shares that the Board have allocated to investors who are VCTs or wish to receive EIS relief
“enabled for settlement”	in relation to the Open Offer Entitlements, enabled for the limited purpose of settlement of claim transactions and unmatched stock event transactions (each as described in the CREST Manual issued by Euroclear)
“Enlarged Share Capital”	the entire issued share capital of the Company following completion of the Firm Placing and Open Offer

“EU”	the European Union
“Euroclear”	Euroclear UK & Ireland Limited
“Excess Application Facility”	the arrangement pursuant to which Qualifying Shareholders may apply for additional Offer Shares in excess of their Open Offer Entitlement in accordance with the terms and conditions of the Open Offer
“Excess Open Offer Entitlements”	in respect of each Qualifying Shareholder, the entitlement (in addition to his Open Offer Entitlement) to apply for Offer Shares pursuant to the Excess Application Facility, subject to the terms and conditions of the Open Offer
“Excess Shares”	New Ordinary Shares in addition to the Open Offer Entitlement for which Qualifying Shareholders may apply under the Excess Application Facility
“Ex-entitlement Date”	the date on which the Existing Ordinary Shares are marked “ex” for entitlement under the Open Offer, being 11 March 2016.
“Existing Ordinary Shares”	the 224,950,683 Ordinary Shares in issue on the date of this document
“Firm Placees”	the persons who have agreed to subscribe for Firm Placing Shares under the Firm Placing
“Firm Placing”	the placing by the Company of the Firm Placing Shares with the Firm Placees, otherwise than on a pre-emptive basis, at the Offer Price
“Firm Placing Shares”	the 20,000,000 Ordinary Shares which are the subject of the Firm Placing
“FCA”	the Financial Conduct Authority
“FSMA”	Financial Services and Market Act 2000 (as amended)
“HMRC”	Her Majesty’s Revenue and Customs
“ITA 2007”	Income Taxes Act 2007
“IND”	Investigational New Drug Application
“London Stock Exchange”	London Stock Exchange plc
“LGB” or “Lesmoir-Gordon Boyle”	Lesmoir-Gordon, Boyle & Co Limited
“Member Account ID”	the identification code or number attached to any member account in CREST
“Money Laundering Regulations”	the Money Laundering Regulations 2007 and obligations in connection with money laundering under the Criminal Justice Act 1993 and the Proceeds of Crime Act 2002
“New Ordinary Shares”	the Firm Placing Shares and the Offer Shares
“Non EIS Qualifying Shares”	the Offer Shares other than the EIS Qualifying Shares
“Offer Price”	17 pence per New Ordinary Share
“Offer Shares”	the 22,495,068 Ordinary Shares being made available to Qualifying Shareholders pursuant to the Open Offer

“Open Offer”	the conditional invitation made to Qualifying Shareholders to apply to subscribe for the Offer Shares at the Offer Price on the terms and subject to the conditions set out in Part 3 of this document and (if relevant) in the Application Form
“Open Offer Entitlement”	the entitlement of Qualifying Shareholders to subscribe for Offer Shares allocated to Qualifying Shareholders on the Record Date pursuant to the Open Offer
“Ordinary Shares”	ordinary shares of 0.1p each in the capital of the Company
“Panmure Gordon”	Panmure Gordon (UK) Limited
“Placing and Open Offer Agreement”	the agreement dated 11 March 2016 between the Company, Panmure Gordon and LGB in respect of the Firm Placing (as described in Part 5 of this Document)
“Overseas Shareholders”	a Shareholder with a registered address outside the United Kingdom
“Qualifying CREST Holders”	holders of Existing Ordinary Shares in uncertificated form on the register of members of the Company at the Record Date
“Qualifying Non-CREST Holders”	holders of Existing Ordinary Shares in certificated form on the register of members of the Company on the Record Date
“Qualifying Shareholders”	Qualifying Non-CREST Holders and Qualifying CREST Holders (other than certain Overseas Shareholders)
“Record Date”	5.00 p.m. on 9 March 2016 in respect of the entitlements of Qualifying Shareholders under the Open Offer
“Regulatory Information Service”	has the meaning given in the AIM Rules for Companies
“Restricted Jurisdiction”	the US, Canada, Australia, New Zealand, the Republic of South Africa, the Russian Federation, Japan or the Republic of Ireland and any jurisdiction where the extension or availability of the Open Offer (and any other transaction contemplated thereby) would breach any applicable laws or regulations and “Restricted Jurisdictions” shall mean any of them
“Scancell ” or “Group”	Scancell Holdings plc and its subsidiaries
“Securities Act”	US Securities Act of 1933 (as amended)
“Shareholders”	the holders of Existing Ordinary Shares
“SLC Registrars”	SLC Registrars, registrars to Scancell Holdings plc and Receiving Agents to the Open Offer
“stock account”	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States”, “United States of America” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all areas subject to its jurisdiction
“VCT”	Venture Capital Trust as defined by section 259 ITA

## PART 1

### LETTER FROM THE CHAIRMAN SCANCELL HOLDINGS PLC

*(Incorporated and registered in England and Wales under the Companies Act 1985 with company number 06564638)*

*Directors:*

John Chiplin *(Non-Executive Chairman)*  
Professor Lindy Durrant *(Joint Chief Executive Officer)*  
Dr Richard Goodfellow *(Joint Chief Executive Officer)*  
Dr Sally Adams *(Executive Director)*  
Kate Cornish-Bowden *(Non-Executive Director)*  
Dr Matthew Frohn *(Non-Executive Director)*

*Registered Office:*

Eversheds House,  
70 Great Bridgewater Street  
Manchester  
M1 5ES

11 March 2016

Dear Shareholder

#### **Firm Placing of 20,000,000 new Ordinary Shares and Open Offer of up to 22,495,068 new Ordinary Shares at 17 pence per share**

##### **1. Introduction**

On 9 March 2016, the Board announced a conditional Firm Placing of 20,000,000 New Ordinary Shares at 17 pence each to raise £3.4 million before expenses by means of a placing of shares with the Firm Places.

In addition, in order to provide Shareholders who have not taken part in the Firm Placing with an opportunity to participate in the proposed issue of New Ordinary Shares, the Company is providing all Qualifying Shareholders with the opportunity to subscribe, at the Offer Price, for an aggregate of up to 22,495,068 Offer Shares, to raise up to approximately £3.8 million, on the basis of 1 Offer Share for every 10 Existing Ordinary Shares, payable in full on acceptance.

The Open Offer provides Qualifying Shareholders with an opportunity to participate in the proposed issue of the Offer Shares on a pre-emptive basis whilst providing the Company with additional capital to invest in the business of the Group.

The Firm Placing and Open Offer are within the Company's existing allotment authorities.

The Offer Price is at a discount of 16 per cent. to the closing middle market price of 20.25 pence per Existing Ordinary Share on 8 March 2016 (being the last practicable date before publication of this document).

Admission is expected to occur no later than 8.00 a.m. on 5 April 2016 and/or such later time and/or date (being no later than 8.00 a.m. on 20 April 2016) as Panmure Gordon may agree with the Company. Neither the Firm Placing nor the Open Offer are underwritten.

The purpose of this document is to explain the background to the Firm Placing and Open Offer.

##### **2. Description of Company**

Scancell is developing immunotherapies for the treatment of cancer based on its ImmunoBody® and Moditope® technology platforms.

Immunotherapy is a form of treatment that may hold the key to keeping patients permanently disease-free. Unlike traditional therapies that attack cancer directly, immunotherapy uses the body's own internal biological defenses to ward off the disease, with the ultimate hope of building up long-term resistance to the cancer.

There is a strong rationale for the development of tumour-specific T cell stimulators to treat patients with cancer. Although some cancer vaccines in clinical development have been able to stimulate an immune response, few have yet been able to demonstrate an overall clinical benefit.

### ***ImmunoBody***<sup>®</sup>

Scancell's ImmunoBody<sup>®</sup> vaccines target dendritic cells and stimulate both parts of the cellular immune system: the helper cell system, where inflammation is stimulated at the tumour site, and the cytotoxic T-lymphocyte or CTL response, where immune system cells are primed to recognise and kill specific cells.

Each ImmunoBody<sup>®</sup> vaccine can be designed to target a particular cancer in a highly specific manner.

Scancell's first ImmunoBody<sup>®</sup>, SCIB1 is being developed for the treatment of melanoma. The results of the Phase 1/2 clinical trial demonstrate that SCIB1, when used as monotherapy in stage III/IV (late stage) melanoma patients with resected disease, produced a melanoma-specific immune response; and a highly encouraging survival trend without serious side effects.

Pre-clinical data on a combination of SCIB1 and checkpoint inhibition (blockade of the PD-1 immune checkpoint pathway) has also shown enhanced tumour destruction and significantly longer survival times than when either treatment was used alone.

These data suggest that SCIB1 has the potential to become both the first stand-alone adjuvant treatment for early stage metastatic melanoma and an attractive partner with checkpoint inhibitors for later stage disease.

This has set the stage for an expanded clinical trial programme with a highly qualified group of US specialists. Dr Keith Flaherty, M.D., Director of the Termeer Center for Targeted Therapy at Massachusetts General Hospital and Associate Professor at Harvard Medical School has been named the principal investigator for a multicentre clinical trial, which aims to demonstrate an increase in the response rates when SCIB1 is added to checkpoint inhibitor monotherapy. The trial is expected to commence in 2017.

### ***Moditope***<sup>®</sup>

Moditope<sup>®</sup> is a peptide-based vaccine platform that stimulates the production of killer CD4+ T cells that induce anti-tumour activity without toxicity. Although CD8+ T cell responses to tumour-associated antigens have been reported, it is difficult to induce tumour-specific CD4+ T cell responses due to self-tolerance against normal CD4+ T cell epitopes. The ability of Moditope<sup>®</sup> citrullinated peptides to induce CD4+ cytotoxic T cells against tumour-associated epitopes has therefore added a new dimension to the potential of anti-tumour vaccines.

Publication of the scientific data supporting the Moditope<sup>®</sup> platform in *Cancer Research* in December 2015 provides further endorsement of the quality of Scancell's innovative research and is a tribute to the strength of the Company's research team.

### **3. Reasons for the Firm Placing and Open Offer**

The latest survival data on patients treated with SCIB1 combined with the animal data showing the potential value of a SCIB1/checkpoint inhibitor combination, has set the stage for an expanded clinical trial programme in melanoma, starting in 2017.

Further progress has also been made with the Moditope<sup>®</sup> platform, and it is anticipated that the first product, Modi-1, will be ready for clinical trials for the treatment of triple negative breast cancer and ovarian cancer in 2017.

To support this process, the Board and management will be further strengthened to prepare the Company for its future as a later stage development Company.

This Capital Raising will allow the Company to prepare for further clinical studies on both SCIB1 and Moditope<sup>®</sup>, which the Board believes could add significant incremental value.

#### **4. Proposed Use of proceeds**

The Capital Raising is expected to raise gross proceeds of approximately £7.2 million (before commission and the costs of the Firm Placing and Open Offer), with the Firm Placing raising gross proceeds of approximately £3.4 million and the Open Offer expected to raise gross proceeds of up to approximately £3.8 million, assuming full take up of the Open Offer.

It is expected that the net proceeds from the Firm Placing and Open Offer will be used as follows:

- ImmunoBody<sup>®</sup>: approximately £1.9 million is expected to be used to secure approval of an Investigational New Drug application from the US Food and Drug Administration for the SCIB1 combination study and to complete all of the preparatory work for such a trial in the US, including the manufacture of SCIB1 and conducting suitable toxicology and stability studies;
- Moditope<sup>®</sup>: approximately £1.4 million is expected to be used to prepare and file a Clinical Trial Application in the UK for the planned Phase 1/2 clinical trial with Modi-1 and to complete all of the preparatory work for such a trial in the UK, including the manufacture of Modi-1 and conducting suitable toxicology and stability studies;
- approximately £0.6 million will be used to build an experienced US focused management team; and
- the remaining balance of the net proceeds is expected to be used for the Company's working capital requirements, which will allow the Company to operate until mid-2018.

Therapeutic drug development is a long process and the Directors believe that the Company will need additional funding in order to conduct the aforementioned clinical studies and as it moves from its current strong research base to a later stage development company.

This funding will need to be provided either by a development partner, such as a large pharmaceutical company, or by further equity issuance to existing and new shareholders. The Directors believe that delivering the milestones outlined above, enabling the Company to secure approval to conduct clinical trials with SCIB1 in the US and the manufacture of SCIB1 and Modi-1 for both clinical trials, will enhance the value of the Company and prepare it for further later stage fundraising. The Directors also believe that these milestones will ensure wider recognition of the Company both in the United States and Europe for the quality and value of both the ImmunoBody<sup>®</sup> and Moditope<sup>®</sup> platforms.

The expected use of proceeds set out above is illustrative of the Directors' current intentions with regard to the proceeds from the Firm Placing and Open Offer and may be subject to change.

#### **5. Details of the Firm Placing**

The Company has conditionally raised £3.4 million before expenses by the placing of 20,000,000 New Ordinary Shares at the Offer Price to the Firm Placees.

The Firm Placing is conditional, *inter alia*, upon:

- (i) the Placing and Open Offer Agreement becoming or being declared unconditional in all respects and not having been terminated in accordance with its terms prior to Admission; and
- (ii) Admission becoming effective by no later than 8.00.a.m. on 5 April 2016 or such later time and/or date (being no later than 8.00 a.m. on 20 April 2016.) as Panmure Gordon may agree with the Company.

If any of the conditions are not satisfied, the Firm Placing Shares will not be issued and all monies received from the Firm Placees will be returned to them (at the Firm Placees' risk and without interest).

The Firm Placing Shares are not subject to clawback and are not part of or subject to any condition related to the Open Offer.

The Firm Placing Shares (and the Offer Shares) will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

Application will be made to the London Stock Exchange for the admission of the Firm Placing Shares and the Offer Shares to trading on AIM. It is expected that Admission will occur and that dealings will commence at 8.00 a.m. on 5 April 2016 at which time it is also expected that the New Ordinary Shares will be enabled for settlement in CREST.

## **6. Details of the Open Offer**

The Company is proposing to raise up to a further £3.8 million before expenses by the issue of up to 22,495,068 Offer Shares under the Open Offer at the Offer Price, payable in full on acceptance. Any entitlements to Offer Shares not subscribed for by Qualifying Shareholders will be available to Qualifying Shareholders under the Excess Application Facility. The balance of any Offer Shares not subscribed for under the Excess Application Facility will not be available to the Firm Placees under the Firm Placing.

Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore the Offer Shares which Qualifying Shareholders do not apply for will not be sold in the market for the benefit of Qualifying Shareholders who do not apply for Offer Shares. The Application Form is not a document of title and cannot be traded or otherwise transferred.

Qualifying Shareholders may apply for Offer Shares under the Open Offer at the Offer Price *pro rata* to their holdings of Existing ordinary shares on the Record Date on the basis of:

### **1 Offer Share for every 10 Existing Ordinary Shares**

Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Offer Shares. Fractional entitlements which would otherwise arise will not be issued to the Qualifying Shareholders but will be made available under the Excess Application Facility. Not all Shareholders will be Qualifying Shareholders. Neither Shareholders who are located in, or are citizens of, or have a registered office in a Restricted Jurisdiction will qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 7 of Part 3 of this document.

Subject to availability, the Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares up to a maximum number of Excess Shares equal to 100 times the number of Existing Ordinary Shares held by them as at the Record Date. Further details of the Open Offer and the Excess Application Facility are given in Part 3 of this document.

If Qualifying Shareholders wish to apply for more shares under the Excess Application Facility than the maximum specified in the preceding paragraph, such Qualifying Shareholder should contact SLC Registrar helpline at 01903 706150.

Valid applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements. Applicants can apply for less or more than their entitlements under the Open Offer, but the Company cannot guarantee that any application for Excess Shares under the Excess Application Facility will be satisfied, as this will depend, in part, on the extent to which other Qualifying Shareholders apply for less than or more than their own Open Offer Entitlements. The Company may satisfy valid applications for Excess Shares in whole or in part but reserves the right not to satisfy any excess application above any Open Offer Entitlement. The Board may scale back applications made in excess of Open Offer Entitlements on such basis as it reasonably considers to be appropriate.

The Offer Shares must be paid for in full on application. If you have received an Application Form with this document, please refer to paragraph 4.5 and paragraphs 5 to 12 of Part 3 of this document. If you hold your Ordinary Shares in CREST and have received a credit of Open Offer Entitlements to your CREST stock account, please refer to paragraph 4.6 and paragraphs 5 to 12 of Part 3 of this document and also to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Non-CREST Holders who wish to seek EIS or VCT relief for all or part of their application should insert in Box 3A of the Application Form the number of Offer Shares for which they intend to seek such relief. Return of the Application Form will constitute an undertaking by the applicant to only seek EIS or VCT relief for the number of Offer Shares stated in Box 3A or such lesser number as results from the Board's allocation, as detailed below. **Qualifying CREST Holders who wish to seek EIS or VCT relief for all or part of their application should decline their CREST entitlements via the CREST system and request an Application Form from SLC Registrars at 42-50 Hersham Road, Walton-on-Thames, Surrey, KT12 1RZ (or you can contact them on 01903 706150).**

Under the relevant legislation, the maximum amount the Company may raise in any twelve month period by issuing shares to EIS and VCT investors is £5 million. The Company expects the Firm Places to be issued EIS Qualifying Shares for £2,437,100.11, being 14,335,883 Firm Placing Shares. There remains therefore an aggregate subscription amount of £2,562,899.77 available for EIS Qualifying Shares to be issued to Qualifying Shareholders, which is equivalent to 15,075,881 of the Offer Shares. Accordingly, if the total number of Offer Shares for which Qualifying Shareholders who are VCTs or who seek EIS relief exceeds 15,075,881 Offer Shares, the Board will allocate the available EIS Qualifying Shares amongst Qualifying Shareholders on such basis as it considers in its absolute discretion to be fair and reasonable.

**EIS income tax relief will only be available to Qualifying Shareholders who hold Existing Ordinary Shares which were acquired pursuant to an EIS compliant issue of shares by the Company. EIS income tax relief is not available for Qualifying Shareholders who subscribe for Offer Shares at a time when they hold Existing Ordinary Shares for which EIS relieve has not been claimed.**

Qualifying Shareholders must not seek EIS relief on any Offer Shares that are not EIS Qualifying Shares.

Following 30 March 2016, the Company will notify Qualifying Shareholders who are VCTs or who stated that they would seek EIS relief of the number of EIS Qualifying Shares allocated to them and accordingly upon which Offer Shares they may seek such relief. **The Company will only claim EIS relief on any Offer Shares for individual subscription amounts after any scale back of £10,000, being 58,824 Offer Shares, or more.**

Qualifying Shareholders may elect for their application to be cancelled in respect of any Offer Shares which, as a result of the Board's allocation, will not be eligible for EIS relief by circling "Yes" in Box 3B of the Application Form. Monies received in relation to such Offer Shares will be returned (at the applicant's sole risk), without payment of interest, to such Qualifying Shareholders as soon as practicable following Admission.

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, are contained in Part 3 of this document and, where relevant, on the accompanying Application Form.

The Open Offer is conditional on the Firm Placing becoming or being declared unconditional in all respects and not being terminated before Admission. The other principal conditions to the Open Offer are:

- (a) the Placing and Open Offer Agreement having become unconditional and not terminated before Admission; and
- (b) Admission becoming effective by no later than 8.00 a.m. on 5 April 2016 or such later time and/or date (being no later than 8.00 a.m. on 20 April 2016 as Panmure Gordon may agree with the Company).

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and the Offer Shares will not be issued and all monies received by SLC Registrars will be returned to the applicants (at the applicants' risk and without interest) as soon as possible thereafter.

The Offer Shares will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares and the Firm Placing Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

Application will be made to the London Stock Exchange for the admission of the Offer Shares which are subscribed for to trading on AIM. It is expected that Admission will occur and that dealings will commence at 8.00 a.m. on 5 April 2016. The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the Offer Shares; all such Offer Shares, when issued and fully paid, may be held and transferred by means of CREST.

## **7. Enterprise Investment Scheme and Venture Capital Trusts**

On issue, the New Ordinary Shares will not be treated as either “listed” or “quoted” securities for relevant tax purposes.

The following information is based upon the laws and practice currently in force in the UK and may not apply to persons who do not hold their Ordinary Shares as investments.

The Directors believe that the EIS Qualifying Shares should be eligible (subject to the circumstances of investors) for tax reliefs under EIS and for investment by VCTs. The Company has obtained advance assurance from HMRC who confirmed that on the basis of information provided, (i) following receipt of a properly completed form EIS 1, they will be able to authorise the Company to issue certificates under section 204 ITA 2007 in respect of the Shares; and (ii) the EIS Qualifying Shares will be eligible shares for the purpose of section 285(3), ITA 2007 and may be part of a qualifying holding for the purposes of Chapter 4 of Part 6, ITA 2007. The Directors are not aware of any subsequent change in the qualifying conditions or the Company’s circumstances that would prevent the EIS Qualifying Shares from being eligible VCT and EIS investments on this occasion.

Companies can raise up to £5 million from State Aid investment sources, including under the combined Enterprise Investment Scheme (EIS) and from Venture Capital Trusts (VCTs), in any 12 month period. As described in part 6 above in order to comply with this restriction only Offer Shares which are allocated as EIS Qualifying Shares will be issued to VCTs or to individuals wishing to claim EIS relief.

The Company will, following Admission, make an application to HMRC to authorise the Company to deliver certificates under section 204 of the Income Taxes Act 2007 in respect of those Offer Shares which Qualifying Shareholders have indicated on their Application Form that they wish to seek EIS relief on and which have been duly allocated such relief by the Board. Assuming that HMRC gives authorisation to the Company, it will deliver such certificates in respect of such allocations of EIS Qualifying Shares.

Neither the Company nor the Directors give any guarantee that HMRC will authorise the Company to issue such certificates.

Shareholders of the Company who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own independent financial adviser immediately.

These details are intended only as a general guide to the current tax position under UK taxation law and are not intended to be exhaustive. Qualifying Shareholders who are in any doubt as to their tax position or who are subject to a tax jurisdiction other than the UK are strongly advised to consult their professional advisers.

## **8. EIS**

Provided that Qualifying Investors and the Company comply with the EIS legislation (Part V, ITA 2007 and sections 150A-C and Schedule 5B of the Taxation of Chargeable Gains Act 1992), which includes a requirement that the EIS Qualifying Shares are held by investors for not less than three years. UK taxpayers should qualify for EIS relief on their investment in the EIS Qualifying Shares.

The Company has received advance assurance from HMRC that, based on information provided, the Company is to be treated as carrying on a qualifying trade for EIS purposes. The Directors intend to manage the Company so as to maintain (as far as they are able) the status of the Company as a qualifying company although no guarantee can be given in this regard.

There are four EIS tax reliefs being:

(i) ***Income Tax Relief***

Individuals can obtain income tax relief on the amount subscribed for ordinary shares (to a maximum of £1,000,000 for tax year 2013/14 onwards) in one or more qualifying companies, which are retained for a period of three years, provided the individuals are not connected to the issuing company. Relief of 30 per cent. of the eligible amount subscribed is given for investments made in the 2015/16 and 2016/17 tax years. The relief is given against the individual's income tax liability for the tax year in which the new ordinary shares are issued although it is possible to carry back the relief to the preceding tax year, subject to the available investment limit for that year. The relief will be limited to an individual's income tax liability before EIS relief and cannot create a loss. EIS income tax relief is not available for individuals who own more than 30 per cent. of the issued share capital of the Company or certain other connected individuals.

(ii) ***Capital Gains Tax ("CGT") Exemption***

Any capital gains realised on the disposal, after three years, of ordinary shares on which EIS income tax relief has been given and not withdrawn are tax-free. This exemption is not available for individuals who own more than 30 per cent. of the issued share capital of the Company or certain other connected individuals.

(iii) ***Loss Relief***

Subject to certain conditions, tax relief is available for a qualifying shareholder who realises a loss on a disposal of ordinary shares on which EIS income tax relief (see (i) above) has been given and not withdrawn or CGT deferral relief (see (iv) below) has been given and not withdrawn. The amount of the loss (after taking account of the income tax relief initially obtained) can be set against a capital gain in the year of loss or following years or offset against taxable income in the tax year in which the disposal occurs or the preceding year.

(iv) ***CGT Liability/Deferral***

To the extent that a UK resident (which includes individuals and certain trustees) subscribes for qualifying ordinary shares a claim can be made to defer all or part of a chargeable gain arising on the disposal of any asset. Although there is an annual limit of £1,000,000 for EIS income tax relief (see (i) and (ii) above), there is no limit on the amount of gains that can be deferred in this way. The subscription must have been made within one year before or three years after the date of the disposal which gave rise to the gain or the date when a previously deferred gain crystallises. The gain is deferred until there is a "chargeable event" such as the disposal of ordinary shares after the three year qualifying period.

If the investing ordinary shareholder does not retain the ordinary shares for three years or the EIS rules are otherwise breached, the CGT deferral originally granted will be withdrawn and tax will be charged on the basis of a taxable event occurring at the date the rules cease to be met or, in certain instances, by reference to the normal payment date.

Although the Company currently expects to satisfy the relevant conditions for EIS investment, neither the Directors nor the Company gives any warranty or undertaking that relief will be available in respect of any investment in EIS Qualifying Shares pursuant to this document, nor do they warrant or undertake that the Company will conduct its activities in a way that qualifies for or preserves its status.

## **9. VCT**

The Company has received advance assurance from HMRC, based on information provided, that a subscription for EIS Qualifying Shares in the Company can be a qualifying VCT investment. Although the Company currently expects to satisfy the relevant conditions for VCT investment, neither the Directors nor the Company gives any warranty or undertaking that relief will be available in respect of any investment in the EIS Qualifying Shares pursuant to this document, nor do they warrant or undertake that the Company will conduct its activities in a way that qualifies for or preserves its status.

**As the rules governing EIS and VCT reliefs are complex and interrelated with other legislation, if Shareholders or any potential investors are in any doubt as to their tax position, require more detailed information than the general outline above, or are subject to tax in a jurisdiction other than the United Kingdom, they should consult their professional adviser.**

## **10. Overseas Shareholders**

The attention of Qualifying Shareholders who have registered addresses outside the United Kingdom, or who are citizens or residents of countries other than the United Kingdom, or who are holding Existing Ordinary Shares for the benefit of such persons, (including, without limitation, custodians, nominees, trustees and agents) or who have a contractual or other legal obligation to forward this document or the Application Form to such persons, is drawn to the information which appears in paragraph 7 of Part 3 of this document.

## **11. Effect of the Firm Placing and Open Offer**

Upon Admission, and assuming full take up of all the New Ordinary Shares offered under the Open Offer, the Enlarged Share Capital is expected to be 267,445,751 Ordinary Shares. On this basis, the New Ordinary Shares, will represent approximately 15.89 per cent. of the Enlarged Share Capital.

## **12. Risk Factors and Additional Information**

The attention of Shareholders is drawn to the risk factors set out in Part 2 and the information contained in Parts 3 to 5 (inclusive) of this document, which provide additional information on the Firm Placing, the Open Offer and the Company.

## **13. Action to be taken In respect of the Open Offer**

### ***Qualifying Non-CREST Holder***

If you are a Qualifying Non-CREST Holder, you will have received an Application Form which gives details of your entitlements under the Open Offer (as shown by the number of Open Offer Entitlements allocated to you). If you wish to apply for the number of Offer Shares you are entitled to under the Open Offer (as shown by the number of Open Offer Entitlements allocated to you) or more or less Offer Shares than you are entitled to under the Open Offer or any EIS Qualifying Shares under the Open Offer, you should complete the enclosed Application Form in accordance with the procedure for application set out in paragraph 4.5 of Part 3 of this document and on the Application Form itself.

### ***Qualifying CREST Holder***

If you are a Qualifying CREST Holder, no Application Form is enclosed and you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements representing your entitlement under the Open Offer. You should refer to the procedure for application set out in paragraph 4.6 of Part 3 of this document.

**Qualifying CREST Holders who wish to apply for EIS Qualifying Shares should decline the Open Offer Entitlements which have been credited to their stock accounts via the CREST system and request an Application Form from SLC Registrars at 42-50 Hershams Road, Walton-on-Thames, Surrey, KT12 1RZ (or by telephone on 01903 706150). Qualifying CREST Holders applying for EIS Qualifying Shares by way of Application Form should refer to paragraph 4.5 and paragraphs 5 to 12 of Part 3 of this document.**

**Irrespective of whether they hold their Existing Ordinary Shares in certificated form or uncertificated form in CREST, Qualifying Shareholders wishing to apply for EIS Qualifying Shares must complete an Application Form.**

**The latest time for applications under the Open Offer to be received is 11:00 a.m. on 29 March 2016. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST**

**in respect of such entitlement. The procedures for application and payment are set out in Part 3 of this document. Further details also appear in the Application Form which has been sent to Qualifying Non-CREST Holders.**

**Qualifying CREST Holders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.**

**EIS income tax relief will only be available to Qualifying Shareholders who hold Existing Ordinary Shares which were acquired pursuant to an EIS compliant issue of shares by the Company. Qualifying Shareholders who obtained Existing Ordinary Shares on the secondary markets will not be eligible to claim EIS income tax relief.**

## PART 2

### RISK FACTORS

#### 1. Risks relating to the Company and its business

##### *Business strategy may change*

The future success of the Company will depend on the Directors' ability to continue to implement effectively its business strategy. In particular, the pursuit of that strategy may be affected by changes in social and demographic factors or by changes in the competitive environment in the markets in which the Group currently operates or expects to operate. If such changes were to materialise the Directors may decide to change certain aspects of the Group's strategy. This might entail the development of alternative products and services, which would place additional strain on the Company's capital resources and may adversely impact on the revenues and profitability of the Group.

##### *Dependence on key executives and personnel*

The Group's future success is substantially dependent on the continued services and performance of its executive Directors and senior management and its ability to attract and retain suitably skilled and experienced personnel. The Directors cannot give assurances that members of the senior management team and the executive Directors will continue to remain within the Group. The loss of the services of any of the Directors, members of senior management or other key employees could have a material adverse effect upon the Group's business and results of operations. However, the Company has purchased key man insurance to protect against the loss of Professor Lindy Durrant. Finding and hiring any such replacements could be costly and might require the Company to grant significant equity awards or other incentive compensation, which could adversely impact its financial results.

##### *Technology and products*

Scancell is an immunotherapy drug discovery company. Its success is dependent upon the development, successful licensing and patenting of its proprietary technology and its products. Products within Scancell's pipeline, both in house and in development with partners, are in relatively early stages of development. There is a risk that safety issues may arise when the products are further tested in man. This risk is common to all new classes of drugs and, as with all other drug companies, there is a risk that trials may not be successful.

##### *Product development timelines*

Product development timelines are at risk of delay, particularly since it is not always possible to predict the rate of patient recruitment into clinical trials. There is a risk therefore that product development could take longer than presently expected by the Directors; if such delays occur the Company may require further working capital. The Directors seek to minimise the risk of delays by careful management of projects.

##### *Competition*

It is possible that another biotechnology company might develop rival products that prove to be superior or more cost effective than those being developed by Scancell.

##### *Patents*

The field of antibody and immunotherapy drug development is highly litigious. Scancell's priorities are to protect its intellectual property ("IP") and seek to avoid infringing other companies' IP. To protect its technology, Scancell has secured and is securing further worldwide rights to patents protecting both the ImmunoBody® and Moditope platforms and SCIB1. However, there remains the risk that Scancell may face opposition from other companies to patents that it seeks to have granted. The Company engages reputable legal advisers to mitigate the risk of patent infringement and to assist with the protection of Scancell's IP.

### ***Management of growth***

The ability of the Group to implement its strategy requires effective planning and management control systems. The Group's growth plans may place a significant strain on its management and operational, financial and personnel resource. Therefore, the Group's future growth and prospects will depend on its ability to manage this growth. The Group's objectives may not be fulfilled. The value of an investment in the Company is dependent upon the Company achieving the aims set out in this document. There can be no guarantee that the Company will achieve the level of success that the Board expects.

### ***Trading risks***

There is a risk that if all or a significant part of the Group's business underperforms, the proposed investment programme may need to be reduced or curtailed accordingly, despite the funding from the Firm Placing and the Open Offer. Current trading remains volatile and there are risks as well as opportunities across all the sectors in which the Group operates.

### ***Economic, political, judicial, administrative, taxation or other regulatory factors***

The Group may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors, in the areas in which the Group operates and conducts its principal activities, which are currently in the United Kingdom.

### ***Maintenance of qualifying EIS/VCT status***

Based on information provided to them, HM Revenue & Customs have confirmed that the Company is a qualifying company under the Enterprise Investment Scheme and that shares in the Company can form a qualifying holding by VCTs. Provided that an investor and the Company comply with the EIS and VCT legislation, which for EIS investors includes a requirement that the Ordinary Shares are held by investors for three years, such investors should qualify for EIS tax relief on their investments in the Company. The Directors intend to manage the Company so as to maintain the status of the Company and its shares as a qualifying company for EIS purposes and as a qualifying VCT investment, however, there is no certainty that they can continue to do so.

### ***Taxation risk***

Any change in the Company's tax status or in taxation legislation or its interpretation, could affect the Company's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. Statements in this document concerning the taxation of the Company and its investors are based upon current tax law and practice which is subject to change.

## **2. Risk factors associated with the Capital Raising and the New Ordinary Shares**

***It may be difficult to realise an investment on AIM. The market price of the Ordinary Shares may fluctuate widely in response to different factors.***

The New Ordinary Shares will be quoted on AIM rather than the Official List. The AIM Rules for Companies are less demanding than those of the Official List and an investment in a share that is traded on AIM may carry a higher risk than an investment in shares listed on the Official List. The share price of publicly traded companies can be highly volatile.

It may be more difficult for an investor to realise his or her investment in the Company than to realise an investment in a company whose shares or other securities are listed on the Official List or other similar stock exchange. Shares held on AIM are perceived to involve higher risks. AIM has been in existence since 1995 and is a market designed for small and growing companies but its future success and liquidity as a market for the Ordinary Shares cannot be guaranteed.

The price at which the Ordinary Shares are traded and the price at which investors may realise their investment are influenced by a large number of factors, some specific to the Company and its operations and some which may affect quoted companies generally. Admission to AIM does not imply that there will be a liquid market for the Ordinary Shares. Consequently, the price of Ordinary Shares may be subject to fluctuation on small volumes of shares, and the Ordinary Shares may be difficult to sell at a particular price.

The investment offered in this circular may not be suitable for all of its recipients. Investors are accordingly advised to consult an investment adviser, who is authorised under FSMA and who or which specializes in investments of this kind before making a decision to invest.

**Shareholders' proportionate ownership and voting interest in the Company will be reduced pursuant to the Firm Placing. In addition, to the extent that Shareholders do not take up their entitlement of Offer Shares, their proportionate ownership and voting interest in the Company will be further reduced.**

**The risks above do not necessarily comprise all those faced by the Company and are not intended to be presented in any assumed order of priority.**

## PART 3

### TERMS AND CONDITIONS OF THE OPEN OFFER

#### 1. Introduction

- 1.1 As explained in the letter from the Chairman set out in Part 1 of this document, the Company is proposing to raise up to £7.2 million (approximately £6.7 million net of expenses) by way of the Firm Placing and Open Offer, of which up to approximately £3.8 million will be raised from the offer of the Offer Shares at the Offer Price to Qualifying Shareholders under the Open Offer, assuming full take up of the Open Offer.
- 1.2 The purpose of this Part 3 is to set out the terms and conditions of the Open Offer. Up to 22,495,068 New Ordinary Shares will be issued through the Open Offer. Qualifying Shareholders are being offered the right to subscribe for Offer Shares in accordance with the terms of the Open Offer. The Open Offer has not been underwritten.
- 1.3 The Record Date for entitlements under the Open Offer for Qualifying Shareholders is expected to be 5.00 p.m. on 9 March 2016.
- 1.4 Subject to availability, the Excess Application Facility will enable Qualifying Shareholders to apply for Excess Shares. Further details in relation to the Excess Application Facility are set out in Part 4 “Questions and Answers about the Open Offer” in this document and the Application Form.
- 1.5 This document and, where relevant, the Application Form contain the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 4 of this Part 3 “Terms and Conditions of the Open Offer” which gives details of the procedure for application and payment for the Offer Shares and any Excess Shares applied for pursuant to the Excess Application Facility.
- 1.6 The Offer Shares will, when issued and fully paid, rank equally in all respects with Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.
- 1.9 Any Qualifying Shareholder who has sold or transferred all or part of his/her registered holding(s) of Ordinary Shares prior to the Ex-entitlement Date is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

#### 2. The Open Offer

- 2.1 Subject to the terms and conditions set out below and, where relevant, in the Application Form, Qualifying Shareholders are being given the opportunity under the Open Offer to subscribe for Offer Shares at the Offer Price, payable in full on application. The Offer Price represents a discount of 16 per cent. to the closing middle market price of 20.25 pence per Existing Ordinary Share on 8 March 2016 (being the last practicable date before publication of this document).
- 2.2 Qualifying Shareholders have basic entitlements of:

##### **1 Offer Share for every 10 Existing Ordinary Shares**

registered in their name on the Record Date. Entitlements under the Open Offer will be rounded down to the nearest whole number of Offer Shares, with fractional entitlements being aggregated and made available under the Excess Application Facility.

- 2.3 Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer, as will holdings under different designations and in different accounts.

- 2.4 If you are a Qualifying Non-CREST Holder, you will have received an Application Form which gives details of your entitlements under the Open Offer (as shown by the number of Open Offer Entitlements allocated to you). If you wish to apply for the number of Offer Shares you are entitled to under the Open Offer (as shown by the number of Open Offer Entitlements allocated to you) or more or less Open Offer shares than you are entitled to under the Open Offer or any EIS Qualifying Shares under the Open Offer, you should complete the enclosed Application Form in accordance with the procedure for application set out in paragraph 4.5 of Part 3 of this document and on the Application Form itself.
- 2.5 If you hold your Existing Ordinary Shares in CREST, no Application Form is enclosed and you will receive a credit of Open Offer Entitlements to your CREST stock account. Please refer to paragraph 4.6 and paragraphs 5 to 12 of this Part 3 and also to the CREST Manual for further information on the CREST procedures referred to below.
- 2.6 **Qualifying CREST Holders who wish to apply for EIS Qualifying Shares should decline the Open Offer Entitlements which have been credited to their stock accounts via the CREST system and request an Application Form from SLC Registrars at 42-50 Hersham Road, Walton-on-Thames, Surrey, KT12 1RZ (or you can contact them on 01903 706150). Qualifying CREST Holders applying for EIS Qualifying Shares by way of Application Form should refer to paragraph 4.5 and paragraphs 5 to 12 of Part 3 of this document. Qualifying Shareholders may elect that their application for Offer Shares be cancelled to the extent that their application exceeds the EIS Qualifying Shares allocated to them.**
- 2.7 Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Open Offer Entitlement in full, to apply for further Offer Shares in excess of their Open Offer Entitlement. Further details in relation to the Excess Application Facility are set out in paragraph 4 of this Part 3 and in Part 4 “Questions and Answers about the Open Offer”.
- 2.8 If applications under the Excess Application Facility are received for more than the total number of Offer Shares available following take up of Open Offer Entitlements, such applications may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or at all.
- 2.9 Please refer to paragraph 4 of this Part 3 “Terms and Conditions of the Open Offer” for further details of the Excess Application Facility.
- 2.10 **Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying CREST Holders should note that although the Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim raised by Euroclear’s Claims Processing Unit. Qualifying Non-CREST Holders should note that their respective Application Forms are not negotiable documents and cannot be traded. Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer. Any Offer Shares which are not applied for by Qualifying Shareholders under the Open Offer will not be issued by the Company as the Open Offer is not underwritten.**
- 2.11 **The attention of Overseas Shareholders is drawn to paragraph 7 of this Part 3.**
- 2.12 The Existing Ordinary Shares are admitted to trading on AIM. Application will be made for the Offer Shares to be admitted to trading on AIM. It is expected that Admission of the Offer Shares will become effective and that dealings will commence in the Offer Shares at 8.00 a.m. on 5 April 2016.
- 2.13 The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the Offer Shares; all of such Offer Shares, when issued and fully paid, may be held and transferred by means of CREST.

2.14 The Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

### **3. Conditions and further terms of the Open Offer**

3.1 The Open Offer is conditional on the Firm Placing becoming or being declared unconditional in all respects and not being terminated before Admission. The other principal conditions to the Open Offer are:

- (a) the Placing and Open Offer Agreement having become unconditional and not terminated before Admission; and
- (b) Admission becoming effective by no later than 8.00 a.m. 5 April 2016 or such later time and /or date (being no later than 8.00 a.m. on 20 April 2016 as Panmure Gordon may agree with the Company).

3.2 Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter.

3.3 No temporary documents of title will be issued in respect of Offer Shares.

3.4 Definitive certificates in respect of Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Offer Shares in certificated form by 19 April 2016.

3.5 In respect of those Qualifying Shareholders who have validly elected to hold their Offer Shares in uncertificated form, Offer Shares are expected to be credited to their stock accounts maintained in CREST by 5 April 2016.

3.6 If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will notify the London Stock Exchange and make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

### **4. Procedure for application and payment**

4.1 The action to be taken by a Qualifying Shareholder in respect of the Open Offer depends on whether, at the relevant time, a Qualifying Shareholder has an Application Form in respect of his entitlement under the Open Offer or Open Offer Entitlements and Excess Open Offer Entitlements credited to his CREST stock account in respect of such entitlement.

4.2 Qualifying Shareholders who hold their Existing Ordinary Shares in certificated form will be allotted Offer Shares in certificated form. Qualifying Shareholders who hold all or part of their Existing Ordinary Shares in uncertificated form will be allotted Offer Shares in uncertificated form to the extent that their entitlement to Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4.6(g) of this Part 3.

4.3 CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

**4.4 Qualifying Shareholders who do not want to apply for the Offer Shares under the Open Offer should take no action and should not complete or return the Application Form.**

4.5 If you have an Application Form in respect of your entitlement under the Open Offer (either because you are an Qualifying Non-CREST Holder or because you are a Qualifying CREST Holder who has requested an Application Form in order to apply for EIS Qualifying Shares):

(a) **General**

- (i) Subject to paragraph 7 of Part 3 “Terms and Conditions of the Open Offer” in relation to Overseas Shareholders, all Qualifying Non-CREST Holders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 4. It also shows the Open Offer Entitlement allocated to them set out in Box 5. Entitlements to Offer Shares are rounded down to the nearest whole number and any fractional entitlements to Offer Shares will be aggregated and made available under the Excess Application Facility. Box 6 shows how much Qualifying Shareholders would need to pay if they wish to take up their Open Offer Entitlement in full. Qualifying Shareholders may apply for less than their entitlement should they wish to do so.
- (ii) Qualifying Shareholders may apply for more than the amount of their Open Offer Entitlement under the Excess Application Facility should they wish to do so, provided that they have agreed to take up their Open Offer Entitlement in full. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares. The Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.
- (iii) Qualifying Shareholders who wish to seek EIS or VCT relief in respect of the Offer Shares and/or Excess Shares for which they are applying should insert in Box 3A of the Application Form the number of Offer Shares in respect of which they intend to seek such relief. Return of the Application Form will constitute an undertaking by the applicant not to seek EIS or VCT relief except upon the number of New Ordinary Shares stated in Box 3A or such lesser number as results from the Board allocation as provided below.
- (iv) If the total number of Offer Shares for which Qualifying Shareholders seek EIS relief exceeds £2,562,899.77, being 15,075,881 Offer Shares, the Board will allocate the available EIS Qualifying Shares amongst Qualifying Shareholders on such basis as it considers in its absolute discretion to be fair and reasonable.
- (v) Qualifying Shareholders may elect for their application to be cancelled in respect of any Offer Shares which, as a result of the Board’s allocation, will not be eligible for EIS or VCT relief by circling the word “Yes” in Box 3B of the Application Form. Monies received in relation to such Offer Shares will be returned (at the applicant’s sole risk), without payment of interest, to such Qualifying Shareholders as soon as practicable following Admission.
- (vi) The Company will only claim EIS relief on any Offer Shares for individual subscription amounts, after any scale back, of £10,000, being 58,824 Offer Shares, or more.
- (vii) The instructions and other terms set out in the Application Form part of the terms of the Open Offer.

(b) **Bona fide market claims**

- (i) Applications to acquire Offer Shares may only be made on the Application Form and may only be made by the Qualifying Shareholder named in it or by a person entitled by virtue of a bona fide market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer. Application Forms may not be sold, assigned, transferred or split, except to satisfy bona fide market claims up to 3.00 p.m. on 23 March 2016. The Application Form is not a negotiable document

and cannot be separately traded. A Qualifying Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer, should contact his broker or other professional adviser authorised under FSMA through whom the sale or purchase was effected as soon as possible, as the invitation to acquire Offer Shares under the Open Offer may be a benefit which may be claimed by the purchaser(s) or transferee(s).

- (ii) Qualifying Shareholders who have sold all or part of their registered holding should, complete Box 12 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however be forwarded to or transmitted in or into the United States of America, any Restricted Jurisdiction, nor in or into any other jurisdiction where the extension of the Open Offer would breach any applicable law or regulation. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form.

(c) ***Application procedures***

- (i) Qualifying Shareholders wishing to apply to acquire Offer Shares (whether in respect of all or part of their Open Offer Entitlement or in addition to their Open Offer Entitlement under the Excess Application Facility) should complete the Application Form in accordance with the instructions printed on it. Qualifying Shareholders may only apply for Excess Shares if they have agreed to take up their Open Offer Entitlements in full. The Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.
- (ii) Completed Application Forms should be posted to SLC Registrars Limited, 42-50 Hersham Road, Walton-on-Thames, Surrey, KT12 1RZ or returned by hand (during normal business hours only) so as to be received by SLC Registrars by no later than 11.00 a.m. on 29 March 2016. The Company reserves the right to treat any application not strictly complying with the terms and conditions of application as nevertheless valid. The Company further reserves the right (but shall not be obliged) to accept either Application Forms or remittances received after 11.00 a.m. on 29 March 2016. Qualifying Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. Multiple applications will not be accepted. If an Application Form is being sent by first-class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.
- (iii) The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:
  - (1) Application Forms received after 11.00 a.m. on 29 March 2016; or
  - (2) applications in respect of which remittances are received before 11.00 a.m. on 29 March 2016 from authorised persons (as defined in FSMA) specifying the Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.
- (iv) All documents and remittances sent by post by, to, from or on behalf of an applicant (or as the applicant may direct) will be sent entirely at the applicant’s own risk.

(d) **Payments**

- (i) All payments must be in pounds sterling and made by cheque or banker's draft made payable to SLC Registrars re: Scancell Holdings plc A/C. Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque or draft to confirm that the relevant Qualifying Shareholder has title to the underlying funds. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted.
- (ii) Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct SLC Registrars to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.
- (iii) If the Open Offer does not become unconditional, no Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer.
- (iv) If Offer Shares have already been allotted to a Qualifying Shareholder and such Qualifying Shareholder's cheque or banker's draft is not honoured upon first presentation or such Qualifying Shareholder's application is subsequently otherwise deemed to be invalid, SLC Registrars shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Shareholder's Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of SLC Registrars, Panmure Gordon or the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Shareholders.

(e) **Incorrect Sums**

- (i) If an Application Form encloses a payment for an incorrect sum, the Company through SLC Registrars reserves the right:
  - (1) to reject the application in full and return the cheque or banker's draft or refund the payment to the Qualifying Shareholder in question; or
  - (2) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Offer Shares as would be able to be applied for with that payment at the Offer Price, refunding any unutilised sum to the Qualifying Shareholder in question, save that any sums of less than £1 will be retained for the benefit of the Company; or

- (3) in the case that an excess sum is paid, to treat the application as a valid application for all of the Offer Shares referred to in the Application Form, refunding any unutilised sums to the Qualifying Shareholder in question, save that any sums of less than £1 will be retained for the benefit of the Company.
  - (ii) All monies received by SLC Registrars in respect of Offer Shares will be held in a separate account.
- (f) ***The Excess Application Facility***
  - (i) Provided they choose to take up their Open Offer Entitlement in full, the Excess Application Facility enables a Qualifying Shareholder to apply for Offer Shares in excess of their Open Offer Entitlement. The Company reserves the right, in its absolute discretion, to allow for applications for Offer Shares in excess of 100 times the amount stated in Box 4 of the Application Form.
  - (ii) If applications under the Excess Application Facility are received for more than the total number of Offer Shares available following take up of Open Offer Entitlements, the Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Qualifying Shareholders who wish to apply for Excess Shares must complete the Application Form in accordance with the instructions set out on the Application Form.
  - (iii) If the Open Offer becomes unconditional and applications for Excess Shares exceed the Excess Shares available, resulting in a scale back of applications, each Qualifying Shareholder who has made a valid application for Excess Shares and from whom payment in full for the Excess Shares has been received will receive a pounds sterling amount equal to the number of Excess Shares applied and paid for but not allocated to the relevant Qualifying Shareholder multiplied by the Offer Price. In such case, monies will be returned as soon as reasonably practicable, without payment of interest and at the applicant's sole risk.
- (g) ***Effect of application***
  - (i) All documents and remittances sent by post by, to, from, or on behalf of or to an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk. By completing and delivering an Application Form the applicant:
    - (1) represents and warrants to the Company, Panmure Gordon and LGB that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Offer Shares or acting on behalf of any such person on a non-discretionary basis;
    - (2) agrees with the Company, Panmure Gordon and LGB that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by and construed in accordance with the laws of England;
    - (3) confirms to the Company, Panmure Gordon and LGB that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had

the opportunity to read this document, he will be deemed to have had notice of all information in relation to the Company contained in this document (including information incorporated by reference);

- (4) represents and warrants to the Company, Panmure Gordon and LGB that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlement;
  - (5) represents and warrants to the Company, Panmure Gordon and LGB that if he has received some or all of his Open Offer Entitlement from a person other than the Company he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a bona fide market claim;
  - (6) requests that the Offer Shares, to which he will become entitled to have issued to him on the terms set out in this document and the Application Form;
  - (7) represents and warrants to the Company, Panmure Gordon and LGB that he is not, nor is he applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws of the United States of America, any Restricted Jurisdiction or any other jurisdiction in which the application for Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Offer Shares which are the subject of this application to or for the benefit of a shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States of America, any Restricted Jurisdiction or any other jurisdiction in which the application for Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that application in the United States or to, or for the benefit of, a person who he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Offer Shares under the Open Offer;
  - (8) represents and warrants to the Company and Panmure Gordon and LGB that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
  - (9) confirms that in making the application he is not relying and has not relied on the Company or Panmure Gordon and LGB or any person affiliated with the Company or Panmure Gordon and LGB in connection with any investigation of the accuracy of any information contained in this document or his investment decision.
- (ii) All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to SLC Registrars Limited, 42-50 Hersham Road, Walton-on-Thames, Surrey, KT12 1RZ, or you can contact them on 01903 706150. Calls to the helpline number are typically charged at your service provider's standard rate. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note SLC Registrars cannot provide advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or give any financial, legal or tax advice.

4.6 **If you have Open Offer Entitlements credited to your stock account in CREST in respect of your entitlements under the Open Offer:**

(a) ***General***

- (i) **All Qualifying Shareholders who wish to benefit from EIS or VCT tax relief must submit an Application Form. Qualifying CREST Holders who wish to apply for EIS Qualifying Shares should decline their Open Offer Entitlements via the CREST system, request an Application Form from SLC Registrars at 42-50 Hersham Road, Walton-on-Thames, Surrey, KT12 1RZ (or by telephone on 01903 706150) and follow the application procedure set out at paragraph 4.5 of this Part 3.**
- (ii) Subject as provided in paragraph 7 of this Part 3 in relation to certain Overseas Shareholders, each Qualifying CREST Holder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the number of Offer Shares for which he is entitled to apply under the Open Offer. A Qualifying CREST Holder may apply for more or less Offer Shares than he is entitled to should he wish to do so. If applications under the Excess Application Facility are received for more than the total number of Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back by the Board on the basis as it reasonably considers to be appropriate.
- (iii) The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Holder in respect of which the Open Offer Entitlements have been allocated.
- (iv) If for any reason the Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Holders cannot be credited by 3:00 p.m. or such later time as the Company may decide on 14 March 2016, an Application Form will be sent out to each Qualifying CREST Holder in substitution for the Open Offer Entitlements credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Holders with Application Forms will apply to Qualifying CREST Holders who receive Application Forms.
- (v) CREST members who wish to apply for some, all or more than their entitlements to Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact the Receiving Agent at SLC Registrars Limited using the contact details set out in paragraph (iii) below. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) ***Market claims***

The Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) ***Excess Application Facility***

- (i) Qualifying CREST Holders at the Record Date who wish to make applications for additional Offer Shares (in excess of their basic entitlement) should follow the instructions below for submitting a USE (as defined below) in respect of the Excess Application Facility.

- (ii) All enquiries in connection with the procedure for making an excess application should be addressed to the Receiving Agent at SLC Registrars or by phone on 1903 706150 or, if calling from outside the UK on +44 (0) 1903 706150. Calls to the Receiving Agent on 1903 706150 are charged at your standard network rate. Lines are open 9:00 a.m. to 5:00 p.m. (Monday to Friday) London time. Calls to the Receiving Agent on +44 (0) 1903 706150 from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. The Receiving Agent cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.
- (d) ***USE Instructions***
- (i) CREST members who wish to apply for Offer Shares in respect of some, all or more than their Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an Unmatched Stock Event (“USE”) instruction to Euroclear which, on its settlement, will have the following effect:
- (1) the crediting of a stock account of the Registrar under the participant ID and member account ID specified below, with a number of Open Offer Entitlements corresponding to the number of Offer Shares applied for; and
  - (2) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Registrar in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Offer Shares referred to in (1) above.
- (e) ***Content of USE Instructions***
- (i) The USE instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:
- (1) the number of Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Registrar);
  - (2) the ISIN of the Open Offer Entitlement. This is GB00BDGSNM16;
  - (3) the CREST participant ID of the accepting CREST member;
  - (4) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
  - (5) the participant ID of the Registrar, in its capacity as a CREST receiving agent. This is 2RA80;
  - (6) the member account ID of the Registrar, in its capacity as a CREST receiving agent. This is RA228001;
  - (7) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Offer Shares referred to in (1) above;
  - (8) the intended settlement date. This must be on or before 11:00 a.m. on 29 March 2016; and
  - (9) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.
- (ii) In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11:00 a.m. on 29 March 2016.

- (iii) In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:
    - (1) a contact name and telephone number (in the free format shared note field); and
    - (2) a priority of at least 80.
  - (iv) In the event that the Open Offer does not become unconditional by 8:00 a.m. on 5 April 2016 or such later time and date as the Company may determine (being no later than 8:00 a.m. on 20 April 2016), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Holder by way of a CREST payment, without interest, within 14 days thereafter. The interest earned on such monies will be retained for the benefit of the Company.
- (f) ***Content of USE Instructions in respect of the Excess Application Facility***
- (i) The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:
    - (1) the number of excess Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Registrar);
    - (2) the ISIN of the Excess Application Facility. This is GB00BDG SNP47;
    - (3) the participant ID of the accepting CREST member;
    - (4) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
    - (5) the participant ID of the Registrar, in its capacity as a CREST receiving agent. This is 2RA81;
    - (6) the member account ID of the Registrar, in its capacity as a CREST receiving agent. This is RA228002;
    - (7) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the Full amount payable on application for the number of Offer Shares referred to in paragraph (1) above;
    - (8) the intended settlement date. This must be on or before 11:00 a.m. on 29 March 2016; and
    - (9) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.
  - (ii) In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11:00 a.m. on 29 March 2016.

- (iii) In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:
    - (1) a contact name and telephone number (in the free format shared note field); and
    - (2) a priority of at least 80.
  - (iv) In the event that the Open Offer does not become unconditional by 8:00 a.m. on or about 5 April 2016 or such later time and date as the Company may, in its absolute discretion, elect (being no later than 8:00 a.m. on 20 April 2016), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Holder by way of a CREST payment, without interest, within 14 days thereafter. The interest (if any) earned on such monies will be retained for the benefit of the Company.
- (g) ***Deposit of Open Offer Entitlements into, and withdrawal from, CREST***
- (i) A Qualifying Non-CREST Holder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a bona fide market claim). Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.
  - (ii) A holder of an Application Form who is proposing so to deposit the entitlement set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11:00 a.m. on 29 March 2016.
  - (iv) In particular, having regard to normal processing times in CREST and on the part of the Registrar, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3:00 p.m. on 22 March 2016, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4:30 p.m. on 21 March 2016, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 29 March 2016.
  - (v) Delivery of an Application Form with the CREST Deposit Form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation, warranty, covenant, agreement and acknowledgement to the Company and the Registrar by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes as set out in the CREST deposit form which forms part of the Application Form, and a declaration to the Company and the Registrar from the relevant CREST member(s) that it/they is/are not citizen(s) or resident(s) of any Restricted Jurisdiction and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a bona fide market claim.

(h) ***Validity of Application***

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11:00 a.m. on 29 March 2016 will constitute a valid application under the Open Offer.

(i) ***CREST Procedures and Timings***

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11:00 a.m. on 29 March 2016. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(j) ***Incorrect or Incomplete Applications***

(i) If a USE instruction includes a CREST payment for an incorrect sum, the Company through the Receiving Agent reserves the right:

- (1) to reject the application in full and refund the payment to the CREST member in question;
- (2) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question; and
- (3) in the case that an excess sum is paid, to treat the application as a valid application for all the Offer Shares referred to in the USE instruction refunding any unutilised sum to the CREST member in question.

(k) ***Effect of Valid Application***

(i) A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

- (1) give the representations, warranties, covenants, agreements and acknowledgements set out in paragraph 12 of this Part 3;
- (2) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Registrars payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application); and
- (3) request that the Offer Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the Articles.

(l) ***Company's discretion as to Rejection and Validity of Applications***

(i) The Company may in its sole discretion:

- (1) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part III;

- (2) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (3) treat a properly authenticated dematerialised instruction (in this sub-paragraph the first instruction) as not constituting a valid application if, at the time at which the Registrar receives a properly authenticated dematerialised instruction giving details of the first instruction or, thereafter, either the Company or Registrar have received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (4) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

## **5. Money Laundering Regulations**

- 5.1 To ensure compliance with the Money Laundering Regulations, SLC Registrars may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the “verification of identity requirements”). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of SLC Registrars. In such case, the lodging agent’s stamp should be inserted on the Application Form.
- 5.2 The person lodging the Application Form with payment and in accordance with the other terms as described above (the “acceptor”), including any person who appears to SLC Registrars to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Offer Shares as is referred to therein (for the purposes of this paragraph 4 the “relevant Offer Shares”) shall thereby be deemed to agree to provide SLC Registrars with such information and other evidence as they may require to satisfy the verification of identity requirements.
- 5.3 If SLC Registrars determines that the verification of identity requirements apply to any acceptor or application, the relevant Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. SLC Registrars is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither SLC Registrars nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.
- 5.4 If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, SLC Registrars has not received evidence satisfactory to it as aforesaid, the Company may,

- in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.
- 5.5 Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company, SLC Registrars, and Panmure Gordon and LGB from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.
- 5.6 The verification of identity requirements will not usually apply:
- (a) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no.91/308/EEC));
  - (b) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
  - (c) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
  - (d) if the aggregate subscription price for the Offer Shares is less than €5,000 (approximately £12,000).
- 5.7 In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:
- (a) if payment is made by cheque or banker's draft in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques, should be made payable to "SLC Registrars RE: Scancell Holdings plc A/C" in respect of an application by a Qualifying Shareholder. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft to such effect. The account name should be the same as that shown on the Application Form; or
  - (b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force, the agent should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to SLC Registrars. If the agent is not such an organisation, it should contact SLC Registrars Limited at 42-50 Hersham Road, Walton-on-Thames, Surrey, KT12 1RZ.
- 5.8 To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should contact SLC Registrars on 01903 706150. Calls to the helpline number are typically charged at your service provider's standard rate. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note SLC Registrars cannot provide financial or taxation advice or comment on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlement.
- 5.9 If the Application Form(s) is/are in respect of Offer Shares with an aggregate subscription price of £12,000 or more and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

5.10 If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 29 March 2016, SLC Registrars has not received evidence satisfactory to it as aforesaid, SLC Registrars may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the payee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

## **6. Admission, settlement and dealings**

6.1 The result of the Open Offer is expected to be announced on 31 March 2016. Applications will be made to the London Stock Exchange for the Offer Shares to be admitted to trading on AIM. Subject to the Firm Placing and the Open Offer becoming unconditional in all respects (save only as to admission), it is expected that Admission will become effective and that dealings in the Offer Shares will commence at 8.00 a.m. on 5 April 2016.

6.2 The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

6.3 If the condition(s) to the Open Offer described above are satisfied, New Ordinary Shares will be issued in uncertificated form to those Qualifying CREST Holders who validly applied for New Ordinary Shares, and definitive share certificates will be sent to Qualifying Non-CREST Holders who have validly applied for New Ordinary Shares.

6.4 No temporary documents of title will be issued and, transfers will be certified against the UK share register of the Company. All documents or remittances sent by, to, from or on behalf of applicants, or as they may direct, will (in the latter case) be sent through the post and will (in both cases) be at the risk of the applicant. For more information as to the procedure for application, Qualifying Shareholders are referred to paragraph 5 above and their respective Application Form.

## **7. Overseas Shareholders**

7.1 The comments set out in this paragraph 7 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

### **(a) General**

(i) **The distribution of this document and the making or acceptance of the Open Offer to or by persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom, may be affected by the laws or regulatory requirements of the relevant jurisdictions. It is the responsibility of those persons to consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Offer Shares under the Open Offer.**

(ii) No action has been or will be taken by the Company, Panmure Gordon and LGB, or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or application form(s) relating to the Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom. Receipt of this document and/or an Application Form will not constitute an invitation or offer of securities for subscription, sale or purchase in those

jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

- (iii) Application Forms will not be sent to persons with registered addresses in the United States or a Restricted Jurisdiction or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.
- (iv) No person receiving a copy of this document and/or an Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Application Form unless in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.
- (v) It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Offer Shares under the Open Offer to satisfy themselves as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.
- (vi) None of the Company, Panmure Gordon and LGB, nor any of their respective representatives, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.
- (vii) Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document in connection with the Open Offer or otherwise, should not distribute or send either of those documents in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Offer Shares in respect of the Open Offer unless the Company and Panmure Gordon and LGB determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part 3 “Terms and Conditions of the Open Offer” and specifically the contents of this paragraph 7.
- (viii) The Company reserves the right to treat as invalid any application or purported application for Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any other jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Offer Shares in the United States or a Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

- (ix) Notwithstanding any other provision of this document or the relevant Application Form, the Company, Panmure Gordon and LGB reserve the right to permit any person to apply for Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.
  - (x) Overseas Shareholders who wish, and are permitted, to apply for Offer Shares should note that payment must be made in sterling denominated cheques or banker's drafts. Due to restrictions under the securities laws of the United States and the Restricted Jurisdictions, and subject to certain exceptions, Qualifying Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form. No public offer of Offer Shares is being made by virtue of this document or the Application Forms into the United States or any Restricted Jurisdiction. Receipt of this document and/or an Application Form will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.
- (b) ***United States***
- (i) The Offer Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, re-sold, taken up, transferred, delivered or distributed, directly or indirectly, within the United States except in reliance on an exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.
  - (ii) Accordingly, the Company is not extending the Open Offer into the United States unless an exemption from the registration requirements of the US Securities Act is available and, subject to certain exceptions, neither this document nor the Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any Offer Shares in the United States. Subject to certain exceptions, neither this document nor an Application Form will be sent to any Qualifying Shareholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring Offer Shares and wishing to hold such Offer Shares in registered form must provide an address for registration of the Offer Shares issued upon exercise thereof outside the United States.
  - (iii) Subject to certain exceptions, any person who acquires Offer Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Application Form and delivery of the Offer Shares, that they are not, and that at the time of acquiring the Offer Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a non-discretionary basis in the United States or any state of the United States.
  - (iv) The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or despatched from, the United States, or that provides an address in the United States for the receipt of Offer Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly

or indirectly, of any such Offer Shares in the United States or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

- (v) The Company will not be bound to allot or issue any Offer Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any New Ordinary Shares may be transferred. In addition, until 45 days after the commencement of the Open Offer, an offer, sale or transfer of the Offer Shares within the United States by a dealer (whether or not participating in the Open Offer) may violate the registration requirements of the US Securities Act.

(c) ***Restricted Jurisdictions***

- (i) Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form. The Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.
- (ii) No offer or invitation to apply for Offer Shares is being made by virtue of this document or the Application Forms into any Restricted Jurisdiction.

(d) ***Other overseas territories***

Qualifying Shareholders in jurisdictions other than the United States or the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Offer Shares under the Open Offer in accordance with the instructions set out in this document and the Application Form. Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Offer Shares in respect of the Open Offer.

(e) ***Representations and warranties relating to Overseas Shareholders***

- (i) Any person completing and returning an Application Form or requesting registration of the Offer Shares comprised therein represents and warrants to the Company, Panmure Gordon, LGB and SLC Registrars that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction:
  - (A) such person is not requesting registration of the relevant Offer Shares from within the United States or any Restricted Jurisdiction;
  - (B) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it;
  - (C) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and
  - (D) such person is not acquiring Offer Shares with a view to offer, sale, resale, transfer, deliver or distribute, directly or indirectly, any such Offer Shares into any of the above territories.

- (ii) The Company and/or SLC Registrars may treat as invalid any acceptance or purported acceptance of the allotment of Offer Shares comprised in an Application Form if it:
  - (A) appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or
  - (B) provides an address in the United States or a Restricted Jurisdiction for delivery of the share certificates of Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or
  - (C) purports to exclude the warranty required by this sub- paragraph (ii).

(f) ***Waiver***

The provisions of this paragraph 7 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company in its absolute discretion. Subject to this, the provisions of this paragraph 7 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 7 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 7 shall apply to them jointly and to each of them.

## **8. Times and Dates**

- 8.1 The Company shall, in agreement with Panmure Gordon and after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the London Stock Exchange, and make an announcement on a Regulatory Information Service but Qualifying Shareholders may not receive any further written communication.
- 8.2 If a supplementary circular is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary circular (and the dates and times of principal events due to take place following such date shall be extended accordingly).

## **9. Taxation**

Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

## **10. Further information**

Your attention is drawn to the further information set out in this document and also, in the case of Qualifying Non-CREST Shareholders and other Qualifying Shareholders to whom the Company has sent Application Forms, to the terms, conditions and other information printed on the accompanying Application Form.

## **11. Governing law and jurisdiction**

- 11.1 The terms and conditions of the Open Offer as set out in this document, the Application Form and any non- contractual obligation related thereto shall be governed by, and construed in accordance with, English law.

11.2 The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form. By taking up Offer Shares, by way of their Open Offer Entitlement and the Excess Application Facility (as applicable), in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

## 12. Warranties

Each Qualifying Shareholder applying for Offer Shares represents, warrants, covenants, agrees and acknowledges as follows:

- 12.1 the Company and others will rely upon its representations, warranties, covenants, agreements and acknowledgements set forth herein, and it agrees to notify the Company promptly in writing if any of its representations, warranties, covenants, agreements or acknowledgements ceases to be accurate and complete;
- 12.2 it has read and understood and accepted the terms and conditions of the Open Offer contained in this document and its application for Offer Shares shall be on and subject to the terms and conditions of this document and, if it is a Qualifying Non-CREST Holder or a Qualifying CREST Holder applying for EIS relief, the Application Form;
- 12.3 it agrees that all applications, and contracts resulting therefrom, and all non-contractual claims under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- 12.4 it is a Qualifying Shareholder originally entitled to Open Offer Entitlements or if it has received some or all of its Open Offer Entitlements from a person other than the Company, it is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a bona fide market claim;
- 12.5 it may lawfully acquire the Offer Shares to be subscribed by it pursuant to the Open Offer and has the capacity and authority and is entitled to enter into and perform its obligations as a subscriber for Offer Shares and will honour such obligations;
- 12.6 it agrees that its obligations under the Open Offer shall not be capable of rescission or termination by it in any circumstance;
- 12.7 in agreeing to acquire the Offer Shares, it is relying on the information contained in this document and any announcement made by or on behalf of the Company through a Regulatory Information Service and it is not relying on any information given or representation, warranty, undertaking, agreement or statement made at any time by the Company, Panmure Gordon or LGB or any of their officers, directors, agents, employees or advisers, or any other person in relation to the Company, Panmure Gordon or LGB or any of their subsidiary undertakings, the Open Offer or the Offer Shares, and neither the Company nor any other person will be liable for any Qualifying Shareholder's decision to participate in the Open Offer based on any other information, representation, warranty, undertaking, agreement or statement which Qualifying Shareholders may have obtained or received. In addition, it has neither received nor relied on any confidential price-sensitive information. Nothing in this paragraph shall exclude the liability of any person for fraud;
- 12.8 it is entitled to acquire the Offer Shares under the terms of the Open Offer and the laws of all relevant jurisdictions which apply to it (the "**Applicable Securities Laws**") and it has fully observed such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has not taken any action or omitted to take any action which will or may result in the Company or any of their officers, directors, agents, employees or advisers acting in breach of any law or regulatory requirement of any territory or jurisdiction in connection with the Open Offer or its entitlement;

- 12.9 it is not, nor is it applying on behalf of any person who is, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the application for Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that it is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome) and the Qualifying Shareholder is not applying with a view to re-offering, re-selling, transferring or delivering any of the Offer Shares which are the subject of its application to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Offer Shares is or may be prevented by law (except where proof satisfactory to the Company has been provided to the Company that the Qualifying Shareholder is able to accept the invitation by the Company pursuant to an applicable exemption and free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor such person otherwise prevented by legal or regulatory restrictions from applying for Offer Shares under the Open Offer;
- 12.10 it irrevocably appoints any director of the Company as its agent for the purpose of executing and delivering to the Company and/or the Receiving Agent any documents on its behalf necessary to enable it to be registered as the holder of Offer Shares;
- 12.11 it is not, and nor is it applying for Offer Shares as nominee or agent for, a person who is or may be liable to notify and account for stamp duty or stamp duty reserve tax at any of the increased rates referred to in sections 67 to 72 inclusive and sections 93 to 97A inclusive of the Finance Act 1986 (Depositary Receipts and Clearance Services) and, in the event of any breach of this warranty, it agrees that neither the Company nor any other person will have any liability to it or other persons in respect of such duty or tax;
- 12.12 the Applicable Securities Laws do not require the Company to make any filings or seek any approvals of any kind whatsoever from any regulatory authority of any kind in connection with the Open Offer in the jurisdiction in which it is resident;
- 12.13 the purchase by it of Offer Shares does not trigger in the jurisdiction in which it is resident: (a) any obligation to prepare or file a prospectus or similar document or any other report with respect to such purchase; or (b) any disclosure reporting obligation of the Company; or (c) any registration or other obligation on the part of the Company; or (d) the requirement for the Company to take any other action;
- 12.14 the offer and sale to it of Offer Shares was not made through an advertisement of the Offer Shares in printed media of general and regular paid circulation, radio or television or any other form of advertisement;
- 12.15 it and any person acting on its behalf is aware of the obligations in connection with money laundering under the Money Laundering Regulations to the extent applicable to it and, if it is making payment on behalf of a third party, it has obtained and recorded satisfactory evidence to verify the identity of the third party as required by the Money Laundering Regulations;
- 12.16 it agrees to be bound by the terms of the articles of association of the Company in force immediately following Admission of the Offer Shares;
- 12.17 it will not deal or cause or permit any other person to deal in all or any of the Offer Shares unless and until Admission of the Offer Shares becomes effective;
- 12.18 it has not received a prospectus or admission document or, save for this document, any other offering document in connection with the Open Offer, and no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Offer Shares or the fairness or suitability of the investment in the Offer Shares nor have such authorities passed upon or endorsed the merits of the offering of the Offer Shares;

- 12.19 it acknowledges that the Ordinary Shares are admitted to trading on AIM and the Company is therefore required to publish certain business and financial information in accordance with the rules of AIM (the “**Exchange Information**”), and that it is able to obtain or access the Exchange Information without undue difficulty;
- 12.20 neither the Company, Panmure Gordon nor LGB nor any person acting on their behalf nor any of their respective affiliates nor any of their respective directors, officers, employees, agents, partners or professional advisers has or shall have any liability for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement contained in the Exchange Information, any other information made available by or on behalf of the Company or made publicly available by the Company on its website, by press release, by public filing or otherwise or any other information, provided that nothing in this paragraph excludes the liability of any person for fraud made by that person;
- 12.21 if it is acquiring any Offer Shares as a fiduciary or agent for one or more accounts, it has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, covenants, agreements and acknowledgements on behalf of each such account;
- 12.22 it acknowledges that the Offer Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States;
- 12.23 it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document (or any part thereof) to or within the United States, nor will it do any of the foregoing;
- 12.24 it is purchasing the Offer Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Offer Shares in any manner that would violate the Securities Act or any other applicable securities laws, and it does not have a present arrangement to effect any distribution of the Offer Shares to or through any person or entity;
- 12.25 it is not acquiring any Offer Shares for resale in the United States and it has not and will not deliver or forward any advertisement or other offering material in relation to the Offer Shares in or into the United States;
- 12.26 it will indemnify and hold the Company, Panmure Gordon, LGB and each of their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, agreements and covenants in this document. All representations, warranties, agreements and covenants given by it in this document are given to the Company, Panmure Gordon and LGB and will survive completion of the Open Offer;
- 12.27 it is acquiring the Offer Shares in an offshore transaction meeting the requirements of Regulation S under the Securities Act;
- 12.28 at the time it received the offer to purchase the Offer Shares it was not in the United States;
- 12.29 it: (i) understands and acknowledges that the offering and sale of the Offer Shares are not being, and will not be, made, directly or indirectly, in or into, or by the use of the mails or any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States; and (ii) acknowledges that no Application Form will be accepted by any such use, means, instrumentality or facility or from within the United States, and doing so may render such Application Form invalid;
- 12.30 its receipt and execution of the Application Form each occurred outside the United States; and

12.31 it is not acquiring the Offer Shares as a result of or due to, and will not engage in, any “directed selling efforts” (as defined in Regulation S under the Securities Act) in the United States in respect of the Offer Shares, which would include any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of the Offer Shares, including placing an advertisement in a publication with a general circulation in the United States, nor has it seen or been aware of any activity that, to its knowledge, constitutes directed selling efforts in the United States.

## PART 4

### QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

The questions and answers set out in this Part 4 “Questions and Answers about the Open Offer” are intended to be in general terms only and, as such, you should read Part 3 “Terms and Conditions of the Open Offer” of this document for full details of what action to take. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under the FSMA if you are in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

This Part 4 deals with general questions relating to the Open Offer and more specific questions relating to persons resident in the United Kingdom who hold their Existing Ordinary Shares in certificated form only.

If you are an Overseas Shareholder, you should read paragraph 7 of Part 3 “Terms and Conditions of the Open Offer” of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Open Offer Entitlement. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part 3 “Terms and Conditions of the Open Offer” of this document for full details of what action you should take.

If you are a Qualifying CREST Holder and hold your Existing Ordinary Shares in CREST you should read paragraph 4.6 in Part 3 of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by the CREST member through which they hold their Existing Ordinary Shares of: (i) the number of Offer Shares which they are entitled to acquire under their Open Offer Entitlement; and (ii) how to apply for Offer Shares in excess of their Open Offer under the Excess Application Facility provided they choose to take up their Open Offer Entitlement in full and should contact them should they not receive this information.

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.

#### **1. What is an open offer?**

An open offer is a way for companies to raise money. Companies usually do this by giving their existing Shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings. In this instance Shareholders will also be offered the opportunity to apply for additional shares in excess of their entitlement to the extent that other Qualifying Shareholders do not take up their entitlement in full. The fixed price is normally at a discount to the market price of the existing ordinary shares prior to the announcement of the open offer.

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire up to an aggregate of 22,495,068 New Ordinary Shares at a price of 17 pence per share. If you hold Existing Ordinary Shares on the Record Date or have a bona fide market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located in the United States, or a Restricted Jurisdiction, you will be entitled to buy Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 1 Offer Share for every 10 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Offer Shares is not a whole number, you will not be entitled to buy a fraction of an Offer Share and your entitlement will be rounded down to the nearest whole number. The Offer Price of 17 pence per Offer Share represents discount of 16 per cent. to the closing middle-market price quotation as derived from the Daily Official List of the London Stock Exchange of 20.25 pence per Ordinary Share on 8 March 2016. (being the latest practicable date prior to the date of this document).

The Excess Application Facility allows Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement. Applications made under the Excess Application Facility may be allocated in such manner as the Directors may determine in their absolute discretion, if applications are received from Qualifying Shareholders for more than the available number of Offer Shares, no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Unlike in a rights issue, Application Forms are not negotiable documents and neither they nor Open Offer Entitlements can themselves be traded. Shareholders will not be able to apply for any New Ordinary Shares which are the subject of the Firm Placing.

## **2. How do I know I am eligible to participate in the Open Offer?**

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address or located in the United States or any Restricted Jurisdiction, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Existing Ordinary Shares before 9 March 2016. (the time when the Existing Ordinary Shares are expected to be marked “ex-entitlement” by the London Stock Exchange).

## **3. How do I know how many Offer Shares I am entitled to take up?**

If you do not have a registered address and are not located in the United States or any Restricted Jurisdiction, subject to certain exceptions, you will be sent an Application Form that shows:

- how many Existing Ordinary Shares you held at the close of business on the Record Date;
- how many Offer Shares are comprised in your Open Offer Entitlement (“Basic Entitlement”); and
- how much you need to pay if you want to take up your right to buy all your entitlement to the Offer Share.

Subject to certain exceptions, if you have a registered address in the United States or any of the Restricted Jurisdictions, you will not receive an Application Form.

If you would like to apply for any of or all of the Offer Shares comprised in your Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Completed Application Forms should be returned, along with a cheque or banker’s draft drawn in the appropriate form, by post to SLC Registrars Limited, 42-50 Hersham Road, Walton-on-Thames, Surrey, KT12 1RZ or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 29 March 2016, after which time Application Forms will not be valid.

## **4. I am eligible to receive an Application Form. What are my choices in relation to the Open Offer?**

### **(a) *If you do not want to take up your Open Offer Entitlement***

If you do not want to take up the Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Offer Shares. You will also not receive any money when the Offer Shares you could have taken up are sold, as would happen under a rights issue.

You cannot sell your Application Form or your Open Offer Entitlement to anyone else. If you do not return your Application Form subscribing for the Offer Shares to which you are entitled by 11.00 a.m. on 29 March 2016, the Company has made arrangements under which the Company has agreed to issue the Offer Shares to other Qualifying Shareholders under the Excess Application Facility.

If you do not take up your Open Offer Entitlement, then following the issue of the Offer Shares pursuant to Open Offer, your interest in the Company will be significantly diluted. Even if a Qualifying Shareholder subscribes for the basic entitlement under the Open Offer, their proportionate economic interest would be diluted by the issue of New Ordinary Shares pursuant to the Excess Application Facility and the Firm Placing.

(b) ***If you want to take up some but not all of your Open Offer Entitlement***

If you want to take up some but not all of the Offer Shares to which you are entitled, you should write the number of Offer Shares you want to take up in Box 2A of your Application Form; for example, if you are entitled to take up 50 shares but you only want to take up 30 shares, then you should write '30' in Box 2A. To work out how much you need to pay for the Offer Shares, you need to multiply the number of Offer Shares you want (in this example, '30') by £0.17, which is the price in pounds of each Offer Share (giving you an amount of £5.10 in this example). You should write this amount in Box 3, rounding up to the nearest whole pence and this should be the amount your cheque or banker's draft is made out for. You should then return the completed Application Form, together with a cheque or banker's draft for that amount, by post to SLC Registrars Limited, 42-50 Hersham Road, Walton-on-Thames, Surrey, KT12 1RZ or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 29 March 2016, after which time Application Forms will not be valid. If you post your Application Form by first class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to "SLC Registrars Limited RE: Scancell Holdings plc A/C". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) may not be accepted (see section 4 of Part 3).

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct SLC Registrars to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

A definitive share certificate will then be sent to you for the Offer Shares that you take up. Your definitive share certificate for Offer Shares is expected to be despatched to you by no later than 19 April 2016.

(c) ***If you want to take up all of your Open Offer Entitlement***

If you want to take up all of the basic Offer Shares to which you are entitled, you should write the number of Offer Shares detailed in Box 5 into Box 2A. In Box 3 enter the value printed in Box 6 then send the Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque or banker's draft for the amount (as indicated in Box 3 of your Application Form), by post to SLC Registrars Limited, 42-50 Hersham Road, Walton-on-Thames, Surrey, KT12 1RZ or

by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 29 March 2016, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to SLC Registrars Limited RE: Scancell Holdings plc A/C". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application.

Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) may not be accepted.

(d) ***If you want to apply for more than your Open Offer Entitlement***

Provided you have agreed to take up your Open Offer Entitlement in full, you can apply for further Offer Shares under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement equal to 100 times the number of Ordinary shares held as at the Record Date as denoted in Box 4. You should write in Box 2A the number of your entitlement to Offer Shares set out in Box 5 and in Box 2B the number of Excess Shares which you are applying for. To work out how much you need to pay for the Offer Shares, you need to multiply the number of Offer Shares you want by the amount listed in box 2C, which is the price in pounds sterling of each Offer Share. You should write this amount in Box 3.

If Qualifying Shareholders wish to apply for more shares under the Excess Application Facility than 100 times the number stated in Box 4 of the Application Form, the maximum Excess Shares, they should contact the SLC Registrars shareholder helpline. The Company reserves the right, in its absolute discretion, to allow for applications for Offer Shares in excess of the maximum Excess Shares.

You should then return your Application Form by post to SLC Registrars Limited, 42-50 Hersham Road, Walton-on-Thames, Surrey, KT12 1RZ or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 29 March 2016, after which time Application Forms will not be valid. If you post your application form by first class post, you should allow at least four Business Days for delivery.

If applications under the Excess Application Facility are received for more than the total number of Offer Shares available following take up of Open Offer Entitlements, the Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion. No assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

**6. I acquired my Existing Ordinary Shares prior to the Record Date. What if I do not receive an Application Form or I have lost my Application Form?**

If you do not receive an Application Form, this probably means that you are not eligible to participate in the Open Offer. Some Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- qualifying Shareholders who bought Existing Ordinary Shares before 11 March 2016 but were not registered as the holders of those shares at the close of business on 9 March 2016; and
- certain Overseas Shareholders.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact the Shareholder helpline on 01903 706150. Calls to the helpline number are typically charged at your service provider's standard rate. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note SLC Registrars cannot provide financial or taxation advice or comment on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlement.

#### **7. Can I trade my Open Offer Entitlement?**

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Open Offer Entitlements will not be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a bona fide market claim. Offer Shares for which an application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their Open Offer Entitlement will have no rights under the Open Offer or receive any proceeds from it. The Offer Shares are not underwritten.

#### **8. What if I change my mind?**

Once you have sent your Application Form and payment to SLC Registrars, you cannot withdraw your application or change the number of Offer Shares for which you have applied, except in the very limited circumstances which are set out in this document.

#### **9. What if the number of Offer Shares to which I am entitled is not a whole number: am I entitled to fractions of Offer Shares?**

If the number is not a whole number, you will not receive a fraction of an Offer Share and your entitlement will be rounded down to the nearest whole number.

#### **10. What should I do if I have sold some or all of my Existing Ordinary Shares?**

If you hold Existing Ordinary Shares in the Company directly and you sell some or all of your Existing Ordinary Shares before 9 March 2016, you should contact the buyer or the person/company through whom you sell your shares. The buyer may be entitled to apply for Offer Shares under the Open Offer. If you sell any of your Existing Ordinary Shares on or after 11 March 2016, you may still take up and apply for the Offer Shares as set out on your Application Form.

#### **11. How do I pay?**

Completed Application Forms should be returned with a cheque or banker's draft drawn in the appropriate form. All payments must be in pounds sterling and made by cheque or banker's draft made payable to SLC Registrars Limited RE: Scancell and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) may not be accepted.

**12. Will the Existing Ordinary Shares that I hold now be affected by the Open Offer?**

If you decide not to apply for any of the Offer Shares to which you are entitled under the Open Offer, or only apply for some of your entitlement, your proportionate ownership and voting interest in the Company will be reduced.

**13. Where do I send my Application Form?**

You should send your completed Application Form together with the monies in the appropriate form, by post to SLC Registrars Limited, 42-50 Hersham Road, Walton-on-Thames, Surrey, KT12 1RZ or by hand (during normal office hours only). If you post your Application Form by first-class post, you should allow at least four Business Days for delivery. If you do not want to take up or apply for Offer Shares then you need take no further action.

**14. When do I have to decide if I want to apply for Offer Shares?**

SLC Registrars must receive the Application Form by no later than 11.00 a.m. on 29 March 2016, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

**15. How do I transfer my entitlements into the CREST system?**

If you are a Qualifying Shareholder and are a CREST member and want your Offer Shares to be in uncertificated form, you should complete the CREST deposit form (contained in the Application Form), and ensure it is delivered to CCSS in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this.

**16. I hold my Existing Ordinary Shares in certificated form. When will I receive my new share certificate?**

It is expected that SLC Registrars will post all new share certificates by 19 April 2016.

**17. If I buy Existing Ordinary Shares after the Record Date, will I be eligible to participate in the Open Offer?**

If you bought your Existing Ordinary Shares after the Record Date, you are unlikely to be able to participate in the Open Offer in respect of such Ordinary Shares.

**18. Will I be taxed if I take up my entitlements?**

Shareholders who are in any doubt as to their tax position should consult an appropriate professional adviser immediately.

**19. What should I do if I live outside the United Kingdom?**

Your ability to apply to acquire Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are located in the United States or any Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 7 of Part 3 “Terms and Conditions of the Open Offer” of this document.

**20. How do I claim EIS relief in respect of my application for Offer Shares**

Please refer to paragraph 7 of Part 1 of this document for details of the availability of EIS relief for investors applying for New Ordinary Shares under the Open Offer.

The Company will following Admission make an application to HMRC to authorise the Company deliver certificates under section 204 of the Income Taxes Act 2007 to those Qualifying Shareholders who have indicated on their Application Forms that they intended to seek EIS relief in respect of the EIS Qualifying Shares allocated to such Qualifying Shareholders. Assuming that HMRC gives authorisation to the Company it will deliver to Qualifying Shareholders such certificates in respect of such allocations of EIS Qualifying Shares.

Neither the Company nor the Directors give any guarantee that HMRC will authorise the Company to issue such certificates.

Qualifying Non-CREST Holders who intend to apply for EIS Qualifying Shares under the Open Offer should refer to paragraph 4.5 of Part 3 of this document.

Qualifying CREST Holders who intended to apply for EIS Qualifying Shares should decline their CREST entitlements via the CREST system, request an Application Form from SLC Registrars at 42-50 Hersham Road, Walton-on-Thames, Surrey, KT12 1RZ (or you can contact them on 01903 706150) and refer to paragraph 4.5 and paragraphs 5 to 12 of Part 3 of this document.

**21. If I apply for EIS relief on some or all of the Offer Shares to which I am entitled, can I cancel my application for such Offer Shares if the Board do not allocate them EIS relief as per my request?**

Yes, to the extent that your request for EIS relief on any Offer Shares is not met by the Board's allocation of EIS relief, you may elect that your application in respect of those Offer Shares is cancelled by circling the word "Yes" in Box 3B on your Application Form.

**22. Further assistance**

Should you require further assistance please call the Shareholder helpline on 01903 706150. Please note that, for legal reasons, the Shareholder helpline is only able to provide information contained in this document and information relating to the Company's register of members and is unable to give advice on the merits of the Open Offer or to provide legal, business, accounting, tax, investment or other professional advice.

## PART 5

### ADDITIONAL INFORMATION

#### 1. The Company

- 1.1 The Company was incorporated under the Companies Act 1985 and registered in England and Wales on 14 April 2008 with registered number 6564638 as Scancell Holdings plc, a public limited company. The liability of the members of the Company is limited.
- 1.3 The registered office of the Company is at Eversheds House, 70 Great Bridgewater Street, Manchester M1 5ES. The principal place of business of the Company is the Department of Clinical Oncology, City Hospital, Hucknall Road, Nottingham NG5 1PB.
- 1.4 The principal legislation under which the Company operates is the Act and the regulations made thereunder.
- 1.5 The Company is domiciled in England.
- 1.6 The Company's accounting reference date is 30 April.
- 1.7 The ISIN number of the Ordinary Shares is GB00B63D3314.

#### 2. Share capital

- 2.1 The issued and fully paid up share capital of the Company as at 8 March 2016 (being the latest practicable date before publication of this document) was 224,950,683 Ordinary Shares.
- 2.2 As at 8 March 2016 (being the latest practicable date before publication of this document) there were options in issue that if exercised could result in the issue of up to a further 24,402,200 Ordinary Shares.
- 2.3 Following Admission there will be a further 20,000,000 Ordinary Shares in issue (being the Firm Placing Shares) and up to a further 22,495,068 Ordinary Shares (being the Offer Shares). If no Offer Shares are issued then immediately following Admission the Company will have an issued share capital of 244,950,683 Ordinary Shares. If all the Offer Shares are issued then immediately following Admission the Company will have an issued share capital of 267,445,751 Ordinary Shares.
- 2.4 At the Annual General Meeting of the Company on 20 October 2015 the Directors were given authority and power to:
  - 2.4.1 allot shares and to grant rights to subscribe for or to convert any security into shares in accordance with section 551 of the Act:
    - i. comprising equity securities (as defined by section 560 of the Act) up to an aggregate nominal amount of £74,452.79 (such amount to be reduced by the nominal amount of any shares allotted or rights granted under paragraph 2.4.1(ii) below in connection with an offer:
      - (a) to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
      - (b) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the Board deems necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

- ii. in any other case up to an aggregate nominal amount of £149,967.12 (such amount to be reduced by the nominal amount of any equity securities allotted under paragraph 2.4.1(i) above in excess of £74,452.79), and such authority, unless renewed, varied or revoked by the Company, is to expire on 19 January 2017 or, if earlier, the date of the next annual general meeting of the Company, save that the Company may, before such expiry, make offers or agreements which would or might require shares to be allotted or rights to be granted after such expiry and the Directors may allot shares and grant rights in pursuance of such offer or agreement notwithstanding that the authority referred to in this paragraph 2.4.1 has expired.
- 2.4.2. allot equity securities (as defined by section 560 of the Act) for cash, either pursuant to the authority referred to in paragraph 2.4.1 or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such allotment, provided that the power is limited to:
- i. the allotment of equity securities in connection with an offer of equity securities (but, in the case of the authority referred to in paragraph 2.4.1(i) above by way of a pre-emptive issue only):
- (a) to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
- (b) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the Board deems necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
- ii. the allotment (otherwise than pursuant to the authority referred to in paragraph 2.4.2(i)) of equity securities up to an aggregate nominal amount of £22,495.07 and such power is to expire on 19 January 2017 or, if earlier, the date of the Company's next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power referred to in this paragraph 2.4.2 has expired.

### 3. Directors' and Other Interests

- 3.1 The interests of the Directors (including the interests of their spouses and infant children and the interests of any person connected with him (within the meaning of sections 252 to 254 of the 2006 Act)) are as follows:

	<i>As at the date of this document</i>		<i>Following Admission*</i>	
	<i>Ordinary Shares</i>	<i>percentage of issued Ordinary Share capital</i>	<i>No. of Ordinary Shares</i>	<i>Percentage of issued Ordinary Share Capital</i>
Prof L G Durrant#	10,480,920	4.66%	10,539,743	3.94%
Dr R M Goodfellow#	6,643,840	2.95%	6,702,663	2.51%
John Chiplin	Nil	Nil	58,823	0.02%
Matthew Frohn	Nil	Nil	58,823	0.02%
K Cornish-Bowden	45,000	0.02%	103,823	0.04%
Sally Adams	Nil	Nil	58,823	0.02%

# In the table above, the number of Ordinary Shares held by two of the Directors includes their interests in joint ownership shares. Professor Lindy Durrant has an interest in 8,773,960 joint ownership shares and Dr. Richard Goodfellow in 6,343,840 joint ownership shares.

\* These numbers and percentages are calculated assuming that the Firm Placing completes and the Offer Shares are fully taken up by Shareholders other than the Directors and that none of the outstanding share options are exercised. It is possible that Directors will take up some or all of their basic and excess entitlements pursuant to the Open Offer and, if this occurs, the Company will make an announcement via a Regulatory Information Service at the appropriate time.

### 3.2 *Option Arrangements*

At 8 March 2016 the following options were held by directors of the Company:

<i>Scheme</i>	<i>Options at 8 March 2016</i>	<i>Exercise Price</i>	<i>Date first exercisable</i>	<i>Expiry date</i>
S Adams	500,000	30.5p	18/06/2017	18/06/2024*
L Durrant	3,850,000	4.5p	14/07/2010	14/07/2020*
L Durrant	1,166,666	33.2p	11/12/2014	31/12/2023*
L Durrant	1,166,666	33.2p	11/12/2015	31/12/2023*
L Durrant	1,166,666	33.2p	11/12/2016	31/12/2023*
R Goodfellow	2,880,000	4.5p	14/07/2010	14/07/2020*
R Goodfellow	1,166,666	33.2p	11/12/2014	31/12/2023*
R Goodfellow	1,166,666	33.2p	11/12/2015	31/12/2023*
R Goodfellow	1,166,666	33.2p	11/12/2016	31/12/2023*

\* Subject to additional performance criteria

- 3.3 Save as disclosed above, no Director nor any member of his immediate family or person connected with him (within the meaning of sections 252 to 254 of the 2006 Act) holds or is interested, whether beneficially or non-beneficially, directly or indirectly, in any shares, options over shares, voting rights in respect of shares or securities convertible into shares of the Company or any of its subsidiaries.

### 4. **Substantial Shareholdings**

- 4.1 In addition to the interests of the Directors disclosed in paragraph 3 above, as at 8 March 2016, insofar as is known to the Company, the following persons were, or will following Admission, be directly or indirectly interested (within the meaning of Part VI of FSMA and DTR5) in three per cent. or more of the issued share capital of the Company:

	<i>As at the date of this document</i>		<i>Following Admission*</i>	
	<i>Ordinary Shares</i>	<i>percentage of issued Ordinary Share capital</i>	<i>No. of Ordinary Shares</i>	<i>Percentage of issued Ordinary Share Capital</i>
Reyker Nominees Limited	34,641,162	15.40%	36,858,134	13.78%
Share Nominees Limited	17,192,764	7.64%	17,866,853	6.68%
Barclayshare Nominees Limited	13,842,742	6.15%	13,842,742	5.18%
Huntress CI Nominees Limited	11,309,220	5.03%	11,309,220	4.23%
Lynchwood Nominees Limited	11,077,597	4.92%	12,548,177	4.69%
JG Helfenstein	7,000,000	3.11%	7,000,000	2.62%

\* These numbers and percentages are calculated assuming that the Firm Placing completes and the Offer Shares are fully taken up by Shareholders and that none of the outstanding share options are exercised.

\*\* This number is calculated on the assumption that the Firm Placing Shares are held on behalf of the Firm Placees in Reyker Nominees Limited.

- 4.2 Save as disclosed in paragraph 4.1, so far as the Directors are aware, there are no persons who are, at the date of this Document, or will be immediately following Admission, interested directly or indirectly in three per cent. or more of the issued share capital of the Company or who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

## 5. Summary of Option Schemes

The Group has granted options to employees and others as follows:

<i>Number of shares</i>	<i>Option price</i>	<i>Period within which options are exercisable</i>	
		<i>From</i>	<i>To</i>
260,000	5p	02/12/2008	02/12/2018
105,000	6p	02/01/2009	01/01/2019
180,000	33p	02/09/2017	02/09/2024
3,040,000	6p	02/07/2009	02/12/2018*
130,000	31.3p	02/12/2008	02/12/2018
58,640	2.5p	31/03/2009	02/04/2019
29,320	9.4p	31/03/2009	02/04/2019
3,184,620	4.5p	N/A	30/09/2016
3,184,620	4.5p	N/A	28/02/2018*

\* Subject to additional performance criteria.

## 6. The Placing and Open Offer Agreement

- 6.1 Under the Placing and Open Offer Agreement dated 11 March 2016 between the Company, Panmure Gordon and LGB. Panmure Gordon and LGB have agreed to assist the Company in the Placing and making of the Open Offer. Under the Placing and Open Offer Agreement the Company has agreed, conditional on Admission, to pay to Panmure Gordon a corporate finance advisory fee of £25,000 plus VAT and Panmure Gordon and LGB commissions of up to 5 per cent. of the gross value at the Offer Price of the New Ordinary Shares issued pursuant to the Open Offer and Firm Placing.
- 6.2 The Company has also agreed to pay the costs and expenses of the Firm Placing and the Open Offer together with any applicable VAT. The Placing and Open Offer Agreement contains warranties from the Company and an indemnity from the Company to Panmure Gordon and LGB. Panmure Gordon and LGB are not underwriting the Open Offer or the Firm Placing. Panmure Gordon and LGB are entitled to terminate their obligations under the Placing and Open Offer Agreement and to require the withdrawal of the Open Offer in certain specified circumstances prior to Admission.

## 7. General

- 7.1 Neither the Company nor any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings and, so far as the Directors are aware, there are no governmental, legal or arbitration proceedings, pending or threatened against them or being brought by the Company or any of its subsidiaries, during the previous 12 months, which may have, or had in the recent past, a significant effect on the financial position or profitability of the Company.
- 7.2 Panmure Gordon has given and not withdrawn its written consent to the issue of this document with the inclusion in it of references to its name in the form and context in which they appear.
- 7.3 LGB has given and not withdrawn its written consent to the issue of this document with the inclusion in it of references to its name in the form and context in which they appear.
- 7.4 The costs and expenses of, and incidental to, the Firm Placing and Open Offer are payable by the Company and are estimated to amount to £500,000 (excluding Value Added Tax).
- 7.5 The gross proceeds of the Firm Placing and Open Offer are expected to be £7.2 million, assuming the Open Offer is fully subscribed. The net proceeds of the Firm Placing and Open Offer are expected to be approximately £6.7 million, assuming the Open Offer is fully subscribed.
- 7.6 The Ordinary Shares are in registered form and are capable of being held in uncertificated form. Settlement of the Firm Placing Shares and Offer Shares will, at the option of Firm Placees or Qualifying Crest Holders (as the case may be), be within CREST and Ordinary Shares will be delivered into the CREST account of Firm Placees and Qualifying CREST Holders on 5 April 2016. No temporary documents of title will be issued. Definitive share certificates for

Qualifying Shareholders not holding their Offer Shares in uncertificated form will be despatched by 19 April 2016. Prior to the despatch of such certificates, transfers will be certified against the register of members of the Company.

**8. Availability of Document**

Copies of this document are available free of charge at the Company's registered office, during normal business hours on any weekday (Saturdays and public holidays excepted), and shall remain available for at least one month after Admission. In addition, this document will be available free of charge for a period of 12 months from the date of this document on the Company's website [www.scancell.co.uk](http://www.scancell.co.uk).

Dated: 11 March 2016

